# CNP ASSURANCES GROUP
# INTERIM CONSOLIDATED FINANCIAL STATEMENTS
# SIX MONTHS ENDED 30 JUNE 2023

# Contents

# FIRST-HALF 2023 CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

| *(In € millions)* | Notes | 30.06.2023 | 31.12.2022 |
|---|---|---|---|
| Goodwill | 6 | 95.0 | 95.0 |
| Other intangible assets | 6 | 3,927.8 | 3,795.2 |
| **Intangible assets** | | **4,022.8** | **3,890.2** |
| Investment property | 7 | 6,776.2 | 6,806.7 |
| Financial assets at amortised cost | 7 | 1,945.1 | 101.8 |
| Financial assets at fair value through OCI | 7 | 194,393.2 | 198,310.6 |
| Financial assets at fair value through profit or loss | 7 | 198,016.7 | 192,522.8 |
| Derivatives, including embedded derivatives separated from the host contract | 7 | 2,304.7 | 3,851.3 |
| **Insurance investments** | | **403,436.0** | **401,593.2** |
| **Other investments** | | **2.1** | **2.2** |
| **Investments in equity-accounted companies** | | **1,137.1** | **1,118.3** |
| Insurance contract assets measured using the BBA and VFA models | | 1,391.6 | 1,343.5 |
| Insurance contract assets measured using the PAA model | | 201.2 | 162.7 |
| Insurance assets | 8 | 1,592.8 | 1,506.1 |
| Reinsurance contract assets measured using the BBA and VFA models | | 8,407.2 | 7,902.8 |
| Reinsurance contract assets measured using the PAA model | | 306.5 | 303.9 |
| Reinsurance assets | 8 | 8,713.7 | 8,206.7 |
| Investment contract assets | 8 | 15.0 | 14.5 |
| **Insurance, reinsurance and investment contract assets** | | **10,321.4** | **9,727.3** |
| Current tax assets | | 353.3 | 555.1 |
| Other receivables | | 13,348.4 | 8,419.4 |
| Owner-occupied property and other property and equipment | | 455.9 | 453.4 |
| Other non-current assets | | 531.8 | 499.8 |
| Deferred tax assets | | 696.8 | 950.4 |
| **Other assets** | | **15,386.2** | **10,878.2** |
| **Cash and cash equivalents** | | **3,883.4** | **1,848.6** |
| **TOTAL ASSETS** | | **438,188.9** | **429,057.8** |

| *(In € millions)* | Notes | 30.06.2023 | 31.12.2022 |
|---|---|---|---|
| Share capital | | 4,000.3 | 4,000.3 |
| Share premium account | | 5,414.3 | 5,414.3 |
| Revaluation reserve | | (22,440.6) | (25,747.6) |
| Cash flow hedge reserves | | 103.3 | 106.7 |
| Actuarial gains and losses | | (87.0) | (80.2) |
| Insurance and reinsurance fair value reserves | | 21,476.2 | 24,709.5 |
| Perpetual subordinated notes classified in equity | 9 | 1,944.3 | 1,944.3 |
| Retained earnings and profit | | 10,246.0 | 9,862.7 |
| Net profit for the period | | 891.9 | 941.8 |
| Translation reserves | | (105.3) | (274.8) |
| **Equity attributable to owners of the parent** | | **21,443.4** | **20,876.9** |
| Non-controlling interests | | 4,713.2 | 4,543.5 |
| **Total equity** | | **26,156.6** | **25,420.4** |
| Insurance contract liabilities measured using the BBA and VFA models | 8 | 368,716.4 | 360,542.3 |
| Insurance contract liabilities measured using the PAA model | 8 | 1,605.7 | 1,584.2 |
| Insurance liabilities | | 370,322.1 | 362,126.6 |
| Reinsurance contract liabilities measured using the BBA and VFA models | 8 | 96.6 | 20.0 |
| Reinsurance contract liabilities measured using the PAA model | 8 | 17.1 | 12.9 |
| Reinsurance liabilities | | 113.7 | 32.9 |
| Investment contract liabilities | 8 | 2,498.1 | 2,453.3 |
| **Insurance, reinsurance and investment contract liabilities** | | **372,933.9** | **364,612.7** |
| **Provisions for liabilities and charges** | | **281.4** | **281.8** |
| Subordinated debt | | 7,000.9 | 6,761.7 |
| **Financing liabilities** | | **7,000.9** | **6,761.7** |
| Operating liabilities represented by securities | | 18,935.8 | 21,077.2 |
| Operating liabilities due to banks | | 2,624.5 | 725.2 |
| Current taxes payable | | 148.2 | 101.4 |
| Current account advances | | 103.2 | 92.5 |
| Liabilities towards holders of units in controlled mutual funds | | 462.9 | 345.2 |
| Derivative financial instruments with a negative fair value | | 1,392.3 | 1,588.9 |
| Deferred tax liabilities | | 1,534.4 | 1,517.3 |
| Miscellaneous payables | | 6,614.8 | 6,533.5 |
| **Other liabilities** | | **31,816.2** | **31,981.2** |
| **TOTAL EQUITY AND LIABILITIES** | | **438,188.9** | **429,057.8** |

# CONSOLIDATED INCOME STATEMENT

| *(In € millions)* | Notes | 30.06.2023 | 30.06.2022 |
|---|---|---|---|
| Insurance revenue | 10 | 6,020.1 | 6,089.6 |
| Insurance service expenses | 11 | (4,418.5) | (4,648.0) |
| Net income or expenses from reinsurance contracts held | | (109.1) | (130.6) |
| **Insurance service result** | | **1,492.6** | **1,311.0** |
| Finance income net of expenses | 12 | 3,466.9 | 2,972.3 |
| Gains and losses on disposals of investments net of reversals of impairment and amortisation | 12 | (1,336.8) | (1,269.4) |
| Net gain or loss on derecognised financial assets at amortised cost | | (2.9) | - |
| Change in fair value of financial assets at fair value through profit or loss | 12 | 3,935.6 | (9,113.2) |
| Change in impairment losses on financial instruments | 12 | 8.6 | (11.2) |
| Interest calculated using the effective interest method | 12 | (138.2) | (92.5) |
| Finance income or expenses from insurance contracts issued | 12 | (6,012.8) | 9,361.9 |
| Finance income or expenses from reinsurance contracts issued and held | 12 | 528.7 | (2,157.1) |
| **Total finance income net of expenses** | | **449.0** | **(309.2)** |
| Income and expenses from other activities | | 43.3 | 58.1 |
| Other recurring operating income and expense, net | 13 | (409.6) | (378.8) |
| **Total other recurring operating income and expense, net** | | **(366.2)** | **(320.7)** |
| **Recurring operating profit** | | **1,575.4** | **681.1** |
| Other non-recurring operating income and expense, net | 13 | 7.3 | (23.2) |
| **Operating profit** | | **1,582.7** | **657.9** |
| Finance costs | | (72.0) | (60.2) |
| Change in value of intangible assets | | (0.1) | (12.8) |
| Share of profit of equity-accounted companies | | 2.5 | 15.4 |
| Income tax expense | 14 | (492.3) | (82.8) |
| **Net profit for the period** | | **1,020.8** | **517.5** |
| Non-controlling interests | | (128.9) | (81.2) |
| **Profit attributable to owners of the parent** | | **891.9** | **436.3** |

## CONSOLIDATED STATEMENT OF NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

| *(In € millions)* | 30.06.2023 | 30.06.2022 |
|---|---|---|
| **Net profit for the period** | **1,020.8** | **517.5** |
| **Amounts reclassifiable to profit or loss** | **(617.1)** | **2,062.8** |
| **Financial assets at fair value through OCI reclassifiable to profit or loss** | **2,941.2** | **(26,881.7)** |
| Change in revaluation reserve during the period | 1,939.6 | (28,074.8) |
| Amounts reclassified to profit or loss during the period (disposals, impairments) | 1,001.6 | 1,193.1 |
| **Cash flow hedge reserve** | **(3.6)** | **56.5** |
| Change in cash flow hedge reserve during the period | (29.2) | 137.5 |
| Cash flow hedge reserve recycled through profit or loss during the period | 25.6 | (81.1) |
| **Finance income or expense from insurance contracts not recognised in profit or loss** | **(4,327.9)** | **28,433.0** |
| **Finance income or expense from reinsurance contracts not recognised in profit or loss** | **4.1** | **(122.7)** |
| **Translation adjustments** | **420.8** | **927.9** |
| **Deferred taxes** | **348.4** | **(350.2)** |
| **Amounts not reclassifiable to profit or loss** | **1,549.1** | **(2,931.0)** |
| **Financial assets at fair value through OCI not reclassifiable to profit or loss** | **2,097.1** | **(3,972.8)** |
| **Finance income or expense from insurance contracts recognised in equity** | **-** | **-** |
| **Actuarial gains and losses** | **(9.2)** | **21.3** |
| **Deferred taxes** | **(538.9)** | **1,020.5** |
| **Total gains and losses recognised directly in equity** | **932.0** | **(868.2)** |
| **TOTAL NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **1,952.8** | **(350.7)** |
| Of which net profit and gains and losses recognised directly in equity attributable to owners of the parent | 1,559.4 | (876.9) |
| Of which net profit and gains and losses recognised directly in equity attributable to non-controlling interests | 393.4 | 526.2 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – FIRST-HALF 2023

| *(In € millions)* | Share capital | Share premium account | Revaluation reserve | Insurance and reinsurance fair value reserves | Cash flow hedge reserve | Perpetual subordinated notes classified in equity | Actuarial gains and losses | Retained earnings and profit | Translation reserves | **Equity attributable to owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **IFRS EQUITY AT 1 JANUARY 2023** | **4,000.3** | **5,414.3** | **(25,747.6)** | **24,709.5** | **106.7** | **1,944.3** | **(80.2)** | **10,804.5** | **(274.8)** | **20,876.9** | **4,543.5** | **25,420.4** |
| Net profit for the period | | | | | | | | 891.9 | | **891.9** | 128.9 | **1,020.8** |
| Other comprehensive income | | | 3,301.6 | (3,157.6) | (3.4) | - | (6.8) | 348.7 | 185.4 | **667.8** | 264.2 | **932.1** |
| **Total comprehensive income** | | | **3,301.6** | **(3,157.6)** | **(3.4)** | | **(6.8)** | **1,240.6** | **185.4** | **1,559.7** | **393.2** | **1,952.9** |
| - Dividends paid | | | | | | | | (947.0) | | **(947.0)** | (199.1) | **(1,146.1)** |
| - Subordinated notes, net of tax | | | | | | | | (36.1) | | **(36.1)** | | **(36.1)** |
| - Treasury shares, net of tax | | | | | | | | | | | | - |
| - Changes in scope of consolidation | | | 5.5 | 0.1 | | | | (5.1) | (15.9) | **(15.4)** | (26.1) | **(41.6)** |
| - Other movements | | | | (75.7) | | | | 81.0 | | **5.3** | 1.9 | **7.1** |
| **IFRS EQUITY AT 30 JUNE 2023** | **4,000.3** | **5,414.3** | **(22,440.5)** | **21,476.2** | **103.3** | **1,944.3** | **(87.0)** | **11,137.9** | **(105.3)** | **21,443.4** | **4,713.3** | **26,156.7** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – FIRST-HALF 2022

| *(In € millions)* | Share capital | Share premium account | Revaluation reserve | Insurance and reinsurance fair value reserves | Cash flow hedge reserve | Perpetual subordinated notes classified in equity | Actuarial gains and losses | Retained earnings and profit | Translation reserves | **Equity attributable to owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **IFRS EQUITY AT 1 JANUARY 2022** | **4,000.3** | **5,414.3** | **3,468.5** | **(2,348.8)** | **15.0** | **1,944.3** | **(167.2)** | **10,799.5** | **(554.8)** | **22,571.0** | **4,523.8** | **27,094.9** |
| Net profit for the period | | | | | | | | 436.3 | | **436.3** | 81.2 | **517.5** |
| Other comprehensive income | | | (22,195.7) | 20,213.5 | 43.4 | - | 16.0 | 194.9 | 412.7 | **(1,315.3)** | 447.1 | **(868.2)** |
| **Total comprehensive income** | | | **(22,195.7)** | **20,213.5** | **43.4** | | **16.0** | **631.2** | **412.7** | **(879.0)** | **528.3** | **(350.7)** |
| - Dividends paid | | | | | | | | (821.8) | | **(821.8)** | (153.5) | **(975.3)** |
| - Subordinated notes, net of tax | | | | | | | | (30.1) | - | **(30.1)** | - | **(30.1)** |
| - Treasury shares, net of tax | | | | | | | | | | **-** | | **-** |
| - Changes in scope of consolidation | | | | | | | | | - | **-** | | **-** |
| - Other movements | | | | 2.2 | | | | 2.1 | - | **4.3** | 170.8 | **175.2** |
| **IFRS EQUITY AT 30 JUNE 2022** | **4,000.3** | **5,414.3** | **(18,727.3)** | **17,866.9** | **58.5** | **1,944.3** | **(151.2)** | **10,580.8** | **(142.1)** | **20,844.5** | **5,069.5** | **25,914.0** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2022

| *(In € millions)* | Share capital | Share premium account | Revaluation reserve | Insurance and reinsurance fair value reserves | Cash flow hedge reserve | Perpetual subordinated notes classified in equity | Actuarial gains and losses | Retained earnings and profit | Translation reserves | **Equity attributable to owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **IFRS EQUITY AT 1 JANUARY 2022** | **4,000.3** | **5,414.3** | **3,468.5** | **(2,348.8)** | **15.0** | **1,944.3** | **(167.2)** | **10,799.5** | **(554.8)** | **22,571.0** | **4,523.8** | **27,094.9** |
| Net profit for the period | | | | | | | | 941.8 | | **941.8** | 200.0 | **1,141.8** |
| Other comprehensive income | | | (28,524.8) | 26,377.9 | 91.7 | | 86.6 | 84.2 | 287.9 | **(1,596.5)** | 294.7 | **(1,301.8)** |
| **Total comprehensive income** | | | **(28,524.8)** | **26,377.9** | **91.7** | | **86.6** | **1,026.0** | **287.9** | **(654.7)** | **494.7** | **(160.0)** |
| - Dividends paid | | | | | | | | (821.8) | | **(821.8)** | (231.6) | **(1,053.4)** |
| - Subordinated notes, net of tax | | | | | | | | (66.4) | | **(66.4)** | | **(66.4)** |
| - Treasury shares, net of tax | | | | | | | | | | **-** | | **-** |
| - Changes in scope of consolidation | | | (687.8) | 662.5 | | | | (82.3) | **(7.9)** | **(115.5)** | (228.8) | **(344.3)** |
| - Other movements | | | (3.5) | 18.0 | | | 0.4 | (50.4) | | **(35.6)** | (14.6) | **(50.2)** |
| **IFRS EQUITY AT 31 DECEMBER 2022** | **4,000.3** | **5,414.3** | **(25,747.6)** | **24,709.5** | **106.7** | **1,944.3** | **(80.2)** | **10,804.5** | **(274.8)** | **20,877.0** | **4,543.5** | **25,420.5** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows includes:

- cash flows of fully consolidated companies;
- cash flows arising from the CNP Assurances Group's equity investments and dividends and other cash inflows and outflows between the Group and associates or jointly-controlled entities accounted for by the equity method.

**Definition of cash and cash equivalents**

Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued jointly by the French accounting standards setter (*Autorité des Normes Comptables* – ANC) and the French financial markets authority (*Autorité des Marchés Financiers* – AMF) for the application of Regulation (EU) 2017/1131. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

Cash and cash equivalents reported in the statement of cash flows are stated net of bank overdrafts used for cash management purposes.

**Definition of cash flows from operating activities**

Cash flows from operating activities correspond essentially to the cash flows of the Group's revenue-generating activities.

**Definition of cash flows from investing activities**

Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, owner-occupied property and equipment and intangible assets.

**Definition of cash flows from financing activities**

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:

- share issues and cancellations;
- debt issues and repayments;
- purchases and sales of treasury shares;
- dividends paid to owners of the parent, CNP Assurances Holding, and non-controlling shareholders of subsidiaries.

# CONSOLIDATED STATEMENT OF CASH FLOWS

| *(In € millions)* | 30.06.2023 | 30.06.2022 |
|---|---|---|
| **Operating profit** | **1,582.7** | **657.9** |
| Gains and losses on disposal of investments | 1,283.6 | 1,362.5 |
| Depreciation and amortisation expense, net | 131.9 | 135.4 |
| Impairment losses, net | (5.7) | 5.2 |
| Charges to provisions, net | (8.8) | (1.9) |
| Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents) | (3,755.9) | 9,158.4 |
| Changes in fair value of money market funds | - | - |
| Other adjustments | 79.5 | 300.8 |
| Dividends received from equity-accounted companies | - | 7.8 |
| **Total adjustments** | **(2,275.5)** | **10,968.1** |
| Change in insurance and reinsurance contract assets and liabilities | 1,775.9 | (6,007.9) |
| Change in investment contract assets and liabilities | (51.8) | (339.6) |
| Change in operating receivables and payables | (4,761.7) | (2,498.0) |
| Change in securities sold and purchased under repurchase and resale agreements | (2,141.4) | 720.4 |
| Change in other assets and liabilities | (5.1) | 134.7 |
| Income taxes paid, net of reimbursements | (246.7) | (382.0) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **(6,123.6)** | **3,253.7** |
| Acquisitions of subsidiaries and joint ventures, net of cash acquired | 0.0 | (941.3) |
| Divestments of subsidiaries and joint ventures, net of cash sold | 93.2 | - |
| Acquisitions of associates | - | - |
| Divestments of associates | - | - |
| **Net cash used by divestments and acquisitions** | **93.2** | **(941.3)** |
| Proceeds from the sale of financial investments (including unit-linked funds) and derivatives | 56,708.1 | 54,524.0 |
| Proceeds from the sale of investment properties | 64.6 | 21.0 |
| Proceeds from the sale of investments and derivatives held by non-insurance activities | 0.1 | - |
| **Net cash provided by sales and redemptions of investments** | **56,772.7** | **54,545.0** |
| Acquisitions of financial investments (including unit-linked funds) and derivatives | (47,887.5) | (61,647.2) |
| Acquisitions of investment properties | (301.1) | (316.4) |
| Acquisitions and/or issuance of investments and derivatives held by non-insurance activities | - | - |
| **Net cash used by acquisitions of investments** | **(48,188.6)** | **(61,963.6)** |
| Proceeds from the sale of property and equipment and intangible assets | 14.4 | 0.3 |
| Purchases of property and equipment and intangible assets | (55.3) | (135.6) |
| **Net cash used by sales and purchases of property and equipment and intangible assets** | **(40.9)** | **(135.3)** |
| **NET CASH USED BY INVESTING ACTIVITIES** | **8,636.4** | **(8,495.2)** |
| Issuance of equity instruments | 22.6 | 0.0 |
| Redemption of equity instruments | - | - |
| Purchases and sales of treasury shares | (0.0) | - |
| Dividends paid | (1,128.3) | (981.7) |
| **Net cash used by transactions with owners** | **(1,105.8)** | **(981.7)** |
| New borrowings | 500.0 | 462.3 |
| Repayments of borrowings | (200.0) | - |
| Interest paid on borrowings | (137.6) | (89.8) |
| **Net cash used by other financing activities** | **162.4** | **372.4** |
| **NET CASH USED BY FINANCING ACTIVITIES** | **(943.3)** | **(609.2)** |
| **Cash and cash equivalents at beginning of period** | **17,983.5** | **26,181.2** |
| Net cash provided by operating activities | (6,123.6) | 3,253.7 |
| Net cash used by investing activities | 8,636.4 | (8,495.2) |
| Net cash used by financing activities | (943.3) | (609.2) |
| Effect of changes in exchange rates | 2.0 | (5.5) |
| Effect of changes in accounting policies and other changes[1] | (51.7) | 220.4 |
| Effect of assets held for sale | - | (137.9) |
| **Cash and cash equivalents at period-end** | **19,503.4** | **20,407.7** |

[1] The amount reported under "Effect of changes in accounting policies and other changes" corresponds to reclassifications of cash equivalents as "Ordinary money market funds".

**Reconciliation of cash flows from financing activities to the amounts reported in the financial statements**
This table reconciles cash flows from financing activities to the amounts reported in the other financial statements. Other movements correspond to changes in deferred taxes and fair value adjustments to the cash flow hedge reserve recognised directly in equity.

## At 30 June 2023

| *(In € millions)* | Cash flow hedge reserve | Perpetual subordinated notes classified in equity | Subordinated debt | Other financing liabilities | Total |
|---|---|---|---|---|---|
| **1 January 2023** | **49.6** | **1,944.3** | **6,761.7** | **(0.0)** | **8,755.5** |
| Issue | - | - | 500.0 | (0.0) | **500.0** |
| Redemption | - | - | (200.0) | 0.0 | **(200.0)** |
| **Total cash items** | **-** | **-** | **300.0** | **-** | **300.0** |
| Translation adjustments | - | - | - | - | **-** |
| Translation adjustment to cash flow hedge reserve | 30.8 | - | (30.8) | - | **-** |
| Fair value adjustments | (36.5) | - | - | - | **(36.5)** |
| Changes in scope of consolidation | - | - | - | - | **-** |
| Other movements | - | - | (30.0) | - | **(30.0)** |
| **Total non-cash items** | **(5.7)** | **-** | **(60.8)** | **-** | **(66.5)** |
| **30 June 2023** | **43.9** | **1,944.3** | **7,000.9** | **-** | **8,989.0** |

## At 30 June 2022

| *(In € millions)* | Cash flow hedge reserve | Perpetual subordinated notes classified in equity | Subordinated debt | Other financing liabilities | Total |
|---|---|---|---|---|---|
| **1 January 2022** | **14.8** | **1,944.3** | **7,265.5** | **-** | **9,224.6** |
| Issue | - | - | 500.0 | - | **500.0** |
| Redemption | - | - | - | - | **-** |
| **Total cash items** | **-** | **-** | **500.0** | **-** | **500.0** |
| Translation adjustments | - | - | - | - | **-** |
| Translation adjustment to cash flow hedge reserve | (81.1) | - | 81.1 | - | **-** |
| Fair value adjustments | 112.2 | - | - | - | **112.2** |
| Changes in scope of consolidation | - | - | - | - | **-** |
| Other movements | - | - | (34.0) | - | **(34.0)** |
| **Total non-cash items** | **31.2** | **-** | **47.1** | **-** | **78.2** |
| **30 June 2022** | **45.9** | **1,944.3** | **7,812.6** | **0.1** | **9,802.9** |

## Reconciliation of cash and cash equivalents reported in the balance sheet and in the statement of cash flows

| *(In € millions)* | **30.06.2023** | 30.06.2022 |
|---|---|---|
| Cash and cash equivalents (reported in the consolidated balance shee | 3,883.4 | 2,157.7 |
| Operating liabilities due to banks | (2,624.5) | (1,282.5) |
| Securities held for trading | 18,244.4 | 19,532.5 |
| **TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CA** | **19,503.4** | **20,407.7** |

Cash and cash equivalents reported in the consolidated statement of cash flows correspond to:

- cash and cash equivalents reported in the consolidated balance sheet under assets;
- operating liabilities due to banks, corresponding to short- term bank loans and overdrafts other than financing liabilities, reported in the consolidated balance sheet under liabilities;
- securities held for trading: consist of money market mutual funds reported in the balance sheet under "insurance investments".

# SIGNIFICANT EVENTS OF FIRST-HALF 2023 AND SUBSEQUENT EVENTS

## Note 1 Significant events of first-half 2023

### 1.1 Creation of the new CNP Assurances Group

In connection with the integration of its insurance subsidiaries with the CNP Assurances SA group, the La Banque Postale group has created a holding company to place the companies concerned under common governance.

The aim of this new governance structure, which was set up during the first half of the year, is to leverage growth synergies, align the companies' methods and practices and benefit fully from the effects of scale with regard to prudential supervision.

With this change, the new CNP Assurances Group has become the primary contact of France's insurance supervisor, ACPR. From now on, accounting and prudential information will be produced at the level of this group.

At the same time, financial and prudential information will also be produced at the level of CNP Assurances SA, which continues to be the issuer of bonds and notes admitted to trading on a regulated market.

### 1.2 Inaugural Tier 2 sustainable subordinated notes issue

On 11 January 2023, CNP Assurances carried out an inaugural €500 million Tier 2 sustainable subordinated notes issue. The notes pay interest at 5.25% until 18 July 2033 and then at a floating rate until maturity on 18 July 2053. They qualify as debt based on IFRS criteria.

The notes have been rated A- by Standard & Poor's and BBB+ by Fitch Ratings.

The issue proceeds will be used exclusively to finance or refinance all or part of the Group's eligible new and/or existing sustainable (green and/or social) assets, as defined in the Sustainable Bond Framework available on the CNP Assurances website.

### 1.3 CNP Assurances finalises its acquisitions in Brazil

- **CNP Participacões em Seguros**

CNP Assurances has completed the acquisition of Caixa Seguridade's stake in CNP Participações em Seguros Ltda. ("Holding Seguros"), raising its interest to 100%.

Holding Seguros owns 100% of Companhia Seguros Previdência do Sul ("Previsul") and 51% of CNP Capitalização SA ("CNP Cap").

The shares were acquired for R$166.8 million.

- **CNP Capitalização**

CNP Assurances has completed the acquisition of Icatu's stake in CNP Capitalização SA. ("CNP Cap"), raising its interest to 100%.

The R$194.5 million transaction represents the final stage in a process covered by a broader agreement announced on 14 September 2022. The purpose of this agreement was to enable CNP Assurances to pursue its international development strategy in the death/disability, health, dental insurance, savings and consórcio markets through the buyout of Caixa Seguridade's stakes in five companies (Holding Seguros, Previsul, Odonto Empresa, CNP Capitalização and CNP Consórcios).

### 1.4 Italian interest rate increases

Against a backdrop of rising interest rates, the Italian life insurance company Eurovita was faced with a surge in surrender rates that severely affected its solvency. Italy's insurance supervisor, IVASS, responded to this exceptional situation by placing Eurovita under supervision in the first quarter of 2023 and suspending policyholders' surrender rights.

IVASS's intervention triggered a crisis of confidence in the Italian life insurance market, fuelling a wave of surrenders in the first half of the year that affected all life insurers including CNP Vita Assicura and CNP Vita Assicurazione.

On 30 June, five Italian insurers and twenty-five Italian banks signed an agreement to manage and distribute Eurovita's insurance policies, sending a signal of confidence to the market. The freeze on surrenders has been extended until 31 October to allow for the orderly transfer of insurance policies.

A promotional campaign was launched in the second quarter to support the two companies' businesses, which was beginning to produce results at the end of the first half. Both subsidiaries have carried out subordinated notes issues underwritten by CNP Assurances to strengthen their SCR coverage ratios.

## Note 2 Subsequent events

No material events have occurred since 30 June 2023.

# Note 3 Effects of applying IFRS 9 and IFRS 17 at 1 January 2023

## 3.1 Concurrent adoption of IFRS 9 – Financial Instruments and IFRS 17 – Insurance Contracts

IFRS 17 and IFRS 9 are applicable for accounting periods beginning on or after 1 January 2023. IFRS 17 requires comparative financial information to be produced at 1 January 2022. CNP Assurances has opted to also prepare comparative financial information reflecting the first-time application of IFRS 9 in the consolidated financial statements at the same date.

Previously, the optional overlay approach introduced in IFRS 4 was applied for the preparation of the financial statements in accordance with IFRS 9. Application of this approach neutralised the effect of changes in the fair value of insurance investments, helping to resolve the problems of accounting mismatches and volatility arising from the use of IFRS 9 pending the application of IFRS 17.

Following the replacement of IFRS 4, the Group no longer has any reason to apply the overlay approach,

while the transition to IFRS 17 paves the way for the Group to apply the options available on first-time application of IFRS 9. The main impacts of this option are presented in the paragraph below.

The following information concerns the first-time application of both standards by the CNP Assurances Group.

### 3.1.1 *Transition method and main effects*

IFRS 9 – Financial Instruments is not applicable retrospectively. However, IFRS 17 provides an option for insurance companies to apply IFRS 9 for the preparation of their comparative information based on IFRS 17. CNP Assurances has chosen to apply this option in order to provide relevant information from 1 January 2022.

IFRS 9 provides several implementation options to match the accounting treatment of insurance contracts with the treatment of invested financial instruments. Application of these options gave rise to the measurement of financial investments at fair value through profit or loss for an amount of €5,696.9 million. The investments concerned are mainly debt instruments whose economic characteristics are offset by those of a derivative instrument acquired to reduce the volatility of the instrument's fair value or returns (e.g. inflation-linked bonds).

In order to reduce the effect of the inherent volatility of equity instruments (such as shares), the CNP Assurances Group measures most of these instruments at fair value through other comprehensive income. Investments measured at fair value through other comprehensive income amounted to approximately €21,543.7 million at the transition date. Future changes in the fair value of these investments will be recognised in other comprehensive income and will no longer affect net profit for the year. However, it follows that gains and losses on disposal of these investments cannot be recognised in profit or loss and will be definitively considered as prior year profits or losses in consolidated reserves.

Concerning impairment of financial instruments, IFRS 9 has introduced a new model based on expected credit losses. This new method is based on estimates of expected credit losses from financial instruments measured at fair value through other comprehensive income. Expected credit losses at the transition date are estimated at around €500 million.

There are three types of transition methods under IFRS 17:
- The Full Retrospective Approach (FRA), whereby all accounting components of insurance contracts are recalculated from the contracts' inception. This approach has been applied for term creditor insurance contracts written since 2021, taking into account data availability. This method is mandatory if the data is available. Where this is not the case, the following approaches may be used:
- The Fair Value Approach (FVA), whereby insurance contracts are measured at fair value at the transition date. This method concerns approximately 70% of the Group's insurance contracts.

- The Modified Retrospective Approach (MRA), a simplified version of the FRA that avoids the additional cost of producing historical contract data. This approach has been applied mainly to the term creditor insurance contracts written by BPCE and some of the Brazilian subsidiaries' insurance books.

In the transition balance sheet at 1 January 2022, insurance liabilities were analysed between three items: the Best Estimate (BE), the contractual service margin (CSM) and the risk adjustment (RA). At the transition date, the CSM represented €14.9 billion and the RA represented €1.5 billion, in both cases before tax.

#### 3.1.2 *Other comprehensive income (OCI) accumulated in equity at the transition date*

For groups of contracts measured using the MRA or FVA model on transition to IFRS 17 for which finance income or expense is disaggregated between profit or loss and OCI in accordance with paragraph 88(b) or 89(b) of IFRS 17, the subsequent reclassification to profit or loss of the amounts accumulated in equity at the transition date is supported by reconciliations between opening and closing balances (IFRS 17:116).

For portfolios corresponding to the investment of both own funds and policyholder funds, the information is prepared based on the estimated weight of policyholder funds in the total portfolio. This estimate is reviewed at each year-end.

### 3.2 Effects of applying IFRS 17 on other accounting policies

#### 3.2.1 *IAS 28 – Exemption from application of the equity method*

CNP Assurances continues to apply the exemption provided for in IAS 28.18 (amended) on a case-by-case basis when an investment in which it exercises significant influence is held as an underlying component of insurance contracts with direct participation features or investment contracts with discretionary participation features measured using the VFA model. In line with this exemption, these investments are measured at fair value through profit or loss in accordance with IFRS 9.

#### 3.2.2 *IAS 40 – Investment property measured by the fair value model*

In accordance with the option offered by IAS 40, as amended following the publication of IFRS 17, the CNP Assurances Group has elected to measure at fair value investment property that is an underlying component of insurance contracts with direct participation features or investment contracts with discretionary participation features measured using the VFA model. Property held as an underlying component of these contracts may not be measured partly at cost and partly at fair value if it is not allocated in its entirety to these contracts.

#### 3.2.3 *Withdrawal of IFRS 4 – Insurance Contracts*

***Cancellation of intangible insurance assets***

IFRS 17 does not permit the separate recognition of intangible assets previously recognised under IFRS 4, such as portfolios of insurance contracts and investment contracts with discretionary participation features acquired in a business combination or portfolio transfer, and insurance acquisition cash flows (deferred acquisition costs). These items are now included in the projected future cash flows from insurance contracts.

***Discontinuation of shadow accounting***

The measurement models for insurance (and reinsurance) contracts in IFRS 17 have removed the need for shadow accounting adjustments, meaning that the balance sheet no longer includes any deferred participation assets on the assets side or net deferred participation liabilities on the liabilities side.

### *New presentation of income statement indicators*

Under IFRS 17, premium income – corresponding to the premiums received during the period – has been replaced by insurance revenue, which reflects the consideration to which the insurer expects to be entitled in exchange for the services provided on an earned basis.

Insurance revenue comprises:

- the CSM released to profit for the reporting period,
- the RA released to profit for the reporting period,
- revenue earned during the reporting period from the provision of insurance services, and
- amortisation of acquisition cash flows.

### *Discontinuation of the overlay approach*

To address the consequences of IFRS 9 being applicable before IFRS 17, transitional measures were proposed to avoid insurance company results being affected by the volatility resulting from the use of the fair value model to measure financial assets under IFRS 9 while the cost model continued to be applied to insurance liabilities pending the transition to IFRS 17. IFRS 4 introduced the following two options:

- Deferred application of IFRS 9 pending application of IFRS 17, or
  Use of the overlay approach, which aimed to neutralise the additional volatility introduced by IFRS 9 on the underlying assets of insurance contracts.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## Note 4 Summary of significant accounting policies

CNP Assurances Holding, the parent company of the Group, is a *société par actions simplifiée* (closely-held limited company) with share capital of €4,000,256,320. The Company is registered in the Nanterre Trade and Companies Register under no. 514 080 407 RCS.

The registered office is located at 4 promenade Coeur de Ville, 92130 Issy-les-Moulineaux.

CNP Assurances Holding's corporate purpose is primarily to:

- Hold and manage equity interests in any and all insurance and reinsurance companies and FRPS supplementary occupational pension funds.
- Define Group strategy.
- Provide any and all advisory and other services.
- Manage securities, financial instruments or financial products.

The consolidated financial statements for the six months ended 30 June 2023 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 1 August 2023.

### 4.1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. As required by IAS 34, the accounting policies applied by the Group to prepare the interim consolidated financial statements were the same as those used for the annual financial statements.

The entities of the Group all apply Group accounting policies, as presented in these notes. The accounting policies comply with those used to prepare the financial statements for the year ended 31 December 2022, with the exception of the standards, amendments and interpretations listed below, effective for 2023 financial statements.

#### 4.1.1 *New standards applicable since 1 January 2023*

Compared with the consolidated financial statements for the year ended 31 December 2022, the following standards, interpretations and amendments applicable in the European Union from 1 January 2023 have been adopted by the Group:

| Standard, interpretation or amendment | Date adopted by the EU |
|---|---|
| IFRS 17 – Insurance Contracts | 19 November 2021 |
| IFRS 9 – Financial Instruments | 22 November 2016 |
| Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies | 2 March 2022 |
| Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates | 2 March 2022 |
| Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information | 8 September 2022 |
| Amendments to IAS 12 – Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction | 11 August 2022 |
| IFRIC Interpretation of IFRS 16: Definition of a Lease – Substitution Rights | Not applicable |

The main effects for the Group concern the simultaneous application of IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments.

The amendment to IAS 1 – Presentation of Financial Statements proposes changes that are designed to facilitate the identification and presentation of all accounting policies that provide material information to the main users of the financial statements and, where appropriate, the exclusion from the financial statements of accounting policies that are not material.

The amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, clarifies the distinction between changes in accounting policies and changes in accounting estimates. This clarification has no impact on the Group.

The amendment to IAS 12 – Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction changes the way entities account for deferred tax on decommissioning obligations and leases by narrowing the scope of the initial recognition exemption. This exemption no longer applies to transactions which, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendment has no impact on the Group.

At its March 2023 meeting, the IASB Committee endorsed the final decision of the Interpretations Committee (IC) at its November 2022 meeting, on the determination of whether a contract that includes substitution rights constitutes a lease under IFRS 16. The Committee noted and reiterated the provisions of the standard concerning substantive and non-substantive substitution rights. This decision does not affect the Group's practices in analysing the application of IFRS 16 to its leases.

### 4.1.2 *Main accounting standards and interpretations approved by the European Union but not yet in force*

Not applicable.

### 4.1.3 *Main standards and interpretations published but not yet approved by the European Union*

The IASB and IFRS IC have issued standards, interpretations and amendments that were not applicable at 30 June 2023. Standards, interpretations or amendments published by the IASB but not yet adopted by the European Union will be applicable only once they have been adopted.

| Standard, interpretation or amendment | Date adopted by the EU | Effective date(1) |
|---|---|---|
| Amendment to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current | Not adopted | 1 January 2024 |
| Amendments to IAS 1 – Presentation of Financial Statements: Non-current Liabilities with Covenants | Not adopted | 1 January 2024 |
| Amendments to IFRS 16 – Leases: Lease Liability in a Sale and Leaseback | Not adopted | 1 January 2024 |
| Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures: Supplier Finance Arrangements | Not adopted | 1 January 2024 |

(1) Subject to adoption by the European Union. Applicable in accounting periods beginning on or after the date indicated.

## 4.2 Basis of preparation of the consolidated financial statements

Unless stated otherwise, the consolidated financial statements are presented in millions of euros, rounded up or down to the nearest decimal.

Insurance assets and liabilities and assets and liabilities related to investment contracts with DPF are measured by the methods used by the Group. The other financial statement items are measured using the fair value model, except for the assets and liabilities listed below, which are measured using the cost model:

- intangible assets recognised on business combinations,
- financial instruments that meet the SPPI criteria and are held in a portfolio of assets managed solely to collect contractual cash flows ("hold to collect" model),
- financial liabilities, and
- investment property held directly that does not represent an obligation to policyholders.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of deferred tax assets, assets generated by employee benefits, financial assets, investment property measured at fair value, biological assets and assets arising under insurance contracts, all of which are measured using their own specific valuation basis.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. The main balance sheet items concerned are:

- goodwill, particularly for impairment testing purposes,
- assets measured at fair value that are not quoted on an active market,
- impairment calculations for financial assets measured at fair value through other comprehensive income or at amortised cost,
- insurance liabilities, for cash flow projections and insurance contract valuation assumptions, and
- deferred taxes.

These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial principles and other factors considered reasonable under the circumstances, and they are subject to sensitivity analyses when this is required by regulations or when such tests back up the assumptions made by the Group.

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The effects of changes in accounting estimates are recognised in the period in which the change occurs.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements.

They have been applied uniformly by all Group entities.

# SCOPE OF CONSOLIDATION

## Note 5 Scope of consolidation

### 5.1 Scope of consolidation and associated companies

The consolidated financial statements of the CNP Assurances Group include the financial statements of subsidiaries, jointly-controlled entities and associates. Other than the regulatory capital requirements of the insurance subsidiaries, there are no restrictions limiting the Group's ability to access the assets or settle the liabilities of the entities included in the scope of consolidation.

**Subsidiaries**

A subsidiary is an entity controlled by the Company. Control is a function of three elements: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

Power results from existing rights that give the current ability to direct an investee's relevant activities. The rights that confer power may differ depending on the investee's purpose and design, structure, the nature of its relevant activities or the way in which decisions about the investee are taken. It is generally voting or similar rights that give an investor power, either individually or in combination with other arrangements. If contractual arrangements have a bearing on the relevant activities, they need to be analysed to determine whether rights held are sufficient to confer power. In circumstances where it is difficult to determine whether an investor's rights are sufficient to give it power over an investee, it may be necessary to consider evidence of whether it has the practical ability to direct the relevant activities unilaterally.

Exposure or rights to variable returns from involvement with the investee are assessed based on the investor's returns from existing arrangements which have the potential to vary as a result of the investee's performance. An investor assesses whether returns from an investee are variable and how variable those returns are on the basis of the substance of the arrangement and regardless of the legal form of the returns.

Control results not only from power over the investee and exposure to variable returns, but also from the ability to use power over the investee to affect the amount of the investor's returns from its involvement with the investee. Thus, an investor with decision-making rights must determine whether it is acting as a principal or an agent.

Subsidiaries are fully consolidated.

New subsidiaries are consolidated from the date when control is acquired. Divested subsidiaries are consolidated up to the date when control is relinquished.

Non-controlling interests represent interests in subsidiaries that do not confer control over the investee. The materiality of non-controlling interests is assessed based on the percentage interest in the share capital of the subsidiary, as well as their impact on the consolidated financial statements.

**Jointly-controlled entities (joint arrangements)**

A jointly-controlled entity is a contractual arrangement whereby the CNP Assurances Group and one or more other parties exercise joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. There are two types of joint arrangement:

- joint operations: a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Each joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in the joint operation and in accordance with the applicable IFRSs;

- joint ventures: a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Each joint venturer recognises its interest in the joint venture as an investment using the equity method.

The consolidated financial statements include the CNP Assurances Group's interest in the joint venture, recognised using the equity method, from or up to the date when the Group exercises or ceases to exercise joint control.

**Associates**

An associate is an entity over which the CNP Assurances Group has significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of the associate without the power to control or jointly control those policies.

It is presumed to be exercised when CNP Assurances holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the criteria used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the board of directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the CNP Assurances Group's share of the net assets and profits of associates, recognised using the equity method, from or up to the date when it exercises or ceases to exercise significant influence.

If the CNP Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses is discontinued, unless CNP Assurances has incurred legal or constructive obligations to bear a portion of future losses or to make payments on behalf of the associate.

The exemption provided for in paragraph 18 of IAS 28 is used on a case-by-case basis when the value of an investment in a company over which the Group exercises significant influence is determined on the basis of participatory contracts (see Note 9.2).

## 5.2 Business combinations and other changes in scope of consolidation

Business combinations in which the CNP Assurances Group acquires control of one or more businesses are recognised using the purchase method.

Business combinations carried out prior to 1 January 2010 are recognised in accordance with the accounting principles used to prepare the financial statements for the year ended 31 December 2009. Minority interests (also known as non-controlling interests) are measured at the Group's proportionate share in the acquiree's net revalued assets, while adjustments to contingent consideration are treated as an adjustment to the cost of the combination.

Business combinations completed since 1 January 2010 are recognised and measured in accordance with revised IFRS 3. Consideration transferred (acquisition cost) is measured at the acquisition-date fair value of the assets transferred, liabilities incurred and equity interests issued by the buyer. The acquiree's identifiable assets and liabilities are measured at fair value at the acquisition date. Costs directly attributable to the business combination are expensed as incurred.

Any excess of the consideration transferred over the CNP Assurances Group's proportionate share in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. Non-controlling interests may be measured at fair value (full goodwill method) on a case-by-case basis. In this case, goodwill is calculated at the date control is obtained and is not adjusted after the end of the measurement period. No additional goodwill is recognised on subsequent acquisitions of non-controlling interests.

Acquisitions and disposals of non-controlling interests are recognised directly in equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquiree measured at fair value, the difference is recognised directly in profit or loss for the period.

The initial accounting for a business combination must be completed within 12 months of the acquisition date. This timeline applies to the measurement of identifiable assets and liabilities, consideration transferred and non- controlling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit or loss, unless they concern errors whose correction leads to an adjustment of the purchase price allocation.

## 5.3 Intragroup transactions

All transactions and balances between fully consolidated companies and all intragroup income and expenses are eliminated in full. Losses resulting from the impairment of an asset transferred in an intragroup transaction are not eliminated.

## 5.4 Foreign currency translation into the Group's presentation currency

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency.

Assets and liabilities of international operations – mainly international subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros, i.e., the CNP Assurances Group's presentation currency, at the closing exchange rate.

Income and expenses of international operations are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

Translation differences between the exchange rates used to translate assets and liabilities, and those used to translate income and expenses are recognised in other comprehensive income and represent a separate component of equity (translation adjustment).

## 5.5 Consolidated companies and percentage of voting rights

| Company | Consolidation method | Country/City | Business | 30.06.2023 % rights | 30.06.2023 % interest | 31.12.2022 % rights | 31.12.2022 % interest |
|---|---|---|---|---|---|---|---|
| CNP Asfalistiki | Full | Cyprus/Nicosia | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Luxembourg | Full | Luxembourg | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Santander Insurance Life Ltd | Full | Ireland/Dublin | Insurance | 51.00% | 51.00% | 51.00% | 51.00% |
| CNP Santander Insurance Europe Ltd | Full | Ireland/Dublin | Insurance | 51.00% | 51.00% | 51.00% | 51.00% |
| CNP Santander Insurance Services Ireland Ltd | Full | Ireland/Dublin | Other | 51.00% | 51.00% | 51.00% | 51.00% |
| CNP Europe Life | Full | Ireland/Dublin | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| Sogestop K | Full | France/Paris | Holding co. | 100.00% | 100.00% | 100.00% | 100.00% |
| Holding XS 1 SA | Full | Brazil/Brasilia | Holding co. | 51.00% | 40.00% | 51.00% | 40.00% |
| XS5 Administradora de consorcios S.A. | Equity method | Brazil/Brasilia | Other | 50.01% | 25.00% | 50.01% | 25.00% |
| XS2 Vida e Previdência SA | Full | Brazil/Brasilia | Insurance | 100.00% | 40.00% | 100.00% | 40.00% |
| Caixa Vida e Previdência | Full | Brazil/Brasilia | Insurance | 100.00% | 40.00% | 100.00% | 40.00% |
| CNP Assurances Participações Ltda | Full | Brazil/Brasilia | Holding co. | 100.00% | 100.00% | 100.00% | 100.00% |
| **2. Mutual funds** | | | | | | | |
| Univers CNP 1 FCP | Full | France/Paris | Mutual fund | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP OSTRUM ISR OBLI 12 MOIS | Full | France/Paris | Mutual fund | 96.91% | 96.91% | 98.98% | 98.98% |
| CNP Assur Trésorerie Plus | Full | France/Paris | Mutual fund | 97.68% | 97.68% | 99.09% | 99.09% |
| Ecureuil Profil 90 | Full | France/Paris | Mutual fund | 55.64% | 55.64% | 56.22% | 56.22% |
| Vivaccio ISR actions | Full | France/Paris | Mutual fund | 99.82% | 99.82% | 100.00% | 100.00% |
| OPCVM Caixa Seguradora SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 51.75% | 100.00% | 51.75% |
| OPCVM CNP Capitalização SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 100.00% | 100.00% | 26.39% |
| OPCVM Caixa Vida e Previdência | Full | Brazil/Brasilia | Mutual fund | 100.00% | 40.00% | 100.00% | 40.00% |
| OPCVM CNP Consórcio SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCVM Holding Caixa Seguros Holding SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 51.75% | 100.00% | 51.75% |
| **3. Property companies and others** | | | | | | | |
| AEP3 SCI | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| CIMO | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| AEP4 SCI | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SICAC | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Immobilier | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| Issy Coeur de Ville (ICV) | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| Assurimmeuble | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI MTP Invest | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI AEW Imcom 1 | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI AEP247 | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| LBP Actifs Immo | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SAS Alleray[2] | Full | France/Paris | Real estate | | | 100.00% | 100.00% |
| OPCI Raspail | Full | France/Paris | Real estate | 99.94% | 99.94% | 99.94% | 99.94% |
| Outlet Invest[3] | Full | France/Paris | Real estate | | | 100.00% | 100.00% |
| SCP Lamartine Euros | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SCP Lamartine Monitoring Holding | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SCI Lamartine | Full | France/Paris | Real estate | 85.00% | 85.00% | 85.00% | 85.00% |
| Fundo De Investimento Imobiliario Renda Corporativa Angico – FII | Full | Brazil/São Paulo | Real estate | 100.00% | 48.81% | 100.00% | 48.81% |
| Assurbail Patrimoine | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| Ecureuil Vie Développement | Equity method | France/Paris | Brokerage | 49.00% | 49.00% | 49.00% | 49.00% |
| Coentreprise de Transport d'Electricité[4] | FV | France/Paris | Energy | 20.00% | 20.00% | 20.00% | 20.00% |
| Infra-Invest | Full | Luxembourg | Infrastructure | 100.00% | 100.00% | 100.00% | 100.00% |
| Infra-Invest Holding | Full | France/Paris | Infrastructure | 100.00% | 100.00% | 100.00% | 100.00% |
| Infra-Invest France | Full | France/Paris | Infrastructure | 100.00% | 100.00% | 100.00% | 100.00% |
| Holding d'Infrastructures Gazières (sub-group) | Equity method | France/Paris | Energy | 52.97% | 52.97% | 52.97% | 52.97% |

| Company | Consolidation method | Country/City | Business | 30.06.2023 % rights | 30.06.2023 % interest | 31.12.2022 % rights | 31.12.2022 % interest |
|---|---|---|---|---|---|---|---|
| CNP Asfalistiki | Full | Cyprus/Nicosia | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Luxembourg | Full | Luxembourg | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Santander Insurance Life Ltd | Full | Ireland/Dublin | Insurance | 51.00% | 51.00% | 51.00% | 51.00% |
| CNP Santander Insurance Europe Ltd | Full | Ireland/Dublin | Insurance | 51.00% | 51.00% | 51.00% | 51.00% |
| CNP Santander Insurance Services Ireland Ltd | Full | Ireland/Dublin | Other | 51.00% | 51.00% | 51.00% | 51.00% |
| CNP Europe Life | Full | Ireland/Dublin | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| Sogestop K | Full | France/Paris | Holding co. | 100.00% | 100.00% | 100.00% | 100.00% |
| Holding XS 1 SA | Full | Brazil/Brasilia | Holding co. | 51.00% | 40.00% | 51.00% | 40.00% |
| XS5 Administradora de consorcios S.A. | Equity method | Brazil/Brasilia | Other | 50.01% | 25.00% | 50.01% | 25.00% |
| XS2 Vida e Previdência SA | Full | Brazil/Brasilia | Insurance | 100.00% | 40.00% | 100.00% | 40.00% |
| Caixa Vida e Previdência | Full | Brazil/Brasilia | Insurance | 100.00% | 40.00% | 100.00% | 40.00% |
| CNP Assurances Participações Ltda | Full | Brazil/Brasilia | Holding co. | 100.00% | 100.00% | 100.00% | 100.00% |
| **2. Mutual funds** | | | | | | | |
| Univers CNP 1 FCP | Full | France/Paris | Mutual fund | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP OSTRUM ISR OBLI 12 MOIS | Full | France/Paris | Mutual fund | 96.91% | 96.91% | 98.98% | 98.98% |
| CNP Assur Trésorerie Plus | Full | France/Paris | Mutual fund | 97.68% | 97.68% | 99.09% | 99.09% |
| Ecureuil Profil 90 | Full | France/Paris | Mutual fund | 55.64% | 55.64% | 56.22% | 56.22% |
| Vivaccio ISR actions | Full | France/Paris | Mutual fund | 99.82% | 99.82% | 100.00% | 100.00% |
| OPCVM Caixa Seguradora SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 51.75% | 100.00% | 51.75% |
| OPCVM CNP Capitalização SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 100.00% | 100.00% | 26.39% |
| OPCVM Caixa Vida e Previdência | Full | Brazil/Brasilia | Mutual fund | 100.00% | 40.00% | 100.00% | 40.00% |
| OPCVM CNP Consórcio SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCVM Holding Caixa Seguros Holding SA | Full | Brazil/Brasilia | Mutual fund | 100.00% | 51.75% | 100.00% | 51.75% |
| **3. Property companies and others** | | | | | | | |
| AEP3 SCI | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| CIMO | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| AEP4 SCI | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SICAC | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Immobilier | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| Issy Coeur de Ville (ICV) | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| Assurimmeuble | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI MTP Invest | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI AEW Imcom 1 | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI AEP247 | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| LBP Actifs Immo | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SAS Alleray[2] | Full | France/Paris | Real estate | | | 100.00% | 100.00% |
| OPCI Raspail | Full | France/Paris | Real estate | 99.94% | 99.94% | 99.94% | 99.94% |
| Outlet Invest[3] | Full | France/Paris | Real estate | | | 100.00% | 100.00% |
| SCP Lamartine Euros | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SCP Lamartine Monitoring Holding | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| SCI Lamartine | Full | France/Paris | Real estate | 85.00% | 85.00% | 85.00% | 85.00% |
| Fundo De Investimento Imobiliario Renda Corporativa Angico – FII | Full | Brazil/São Paulo | Real estate | 100.00% | 48.81% | 100.00% | 48.81% |
| Assurbail Patrimoine | Full | France/Paris | Real estate | 100.00% | 100.00% | 100.00% | 100.00% |
| Ecureuil Vie Développement | Equity method | France/Paris | Brokerage | 49.00% | 49.00% | 49.00% | 49.00% |
| Coentreprise de Transport d'Electricité[4] | FV | France/Paris | Energy | 20.00% | 20.00% | 20.00% | 20.00% |
| Infra-Invest | Full | Luxembourg | Infrastructure | 100.00% | 100.00% | 100.00% | 100.00% |
| Infra-Invest Holding | Full | France/Paris | Infrastructure | 100.00% | 100.00% | 100.00% | 100.00% |
| Infra-Invest France | Full | France/Paris | Infrastructure | 100.00% | 100.00% | 100.00% | 100.00% |
| Holding d'Infrastructures Gazières (sub-group) | Equity method | France/Paris | Energy | 52.97% | 52.97% | 52.97% | 52.97% |

(1) CNP Seguros Participações em Saúde Ltda has been renamed CNP Seguros Participações em Saúde Ltda

(2) Entity merged with CNP Assurances

(3) Deconsolidated company

(4) As the value of the investment in Coentreprise de Transport d'Electricité (CTE) is determined almost entirely as a representation of participatory contracts, the Group has chosen to use the exemption from applying the equity method provided for in paragraph 18 of IAS 28 and to measure the CTE shares at fair value through profit or loss

## 5.6 Average number of employees of consolidated companies

| *(Headcount)* | **30.06.2023** | 31.12.2022 |
|---|---|---|
| Management-grade | 3,457 | 3,316 |
| Non-management-grade | 3,029 | 3,008 |
| **Average headcount** | **6,486** | **6,324** |

The above headcount does not include the headcount of the companies accounted for by the equity method.

# ANALYSIS OF THE MAIN COMPONENTS OF THE BALANCE SHEET

## Note 6 Intangible assets

### 6.1 Intangible assets by category

| | 30.06.2023 | | | | |
|---|---|---|---|---|---|
| *(In € millions)* | Cost | Amortisation | Impairment | Reversals | Carrying amount |
| Goodwill | 95.0 | | - | - | 95.0 |
| Value of distribution agreements | 4,066.1 | (534.6) | - | - | 3,531.6 |
| Value of contractual customer | 423.2 | (97.0) | (96.3) | - | 229.9 |
| Software | 529.2 | (403.4) | - | - | 125.8 |
| *Internally-developed software* | 197.6 | (133.8) | - | - | 63.8 |
| *Other software* | 331.5 | (269.5) | - | - | 62.0 |
| Other | 50.1 | (9.6) | (0.1) | - | 40.4 |
| **TOTAL** | **5,163.6** | **(1,044.5)** | **(96.3)** | **-** | **4,022.8** |

| | 31.12.2022 | | | | |
|---|---|---|---|---|---|
| *(In € millions)* | Cost | Amortisation | Impairment | Reversals | Carrying amount |
| Goodwill | 95.0 | | - | - | 95.0 |
| Value of distribution agreements | 3,831.4 | (432.4) | - | - | 3,399.0 |
| Value of contractual customer | 410.1 | (82.4) | (90.1) | - | 237.6 |
| Software | 505.2 | (378.5) | - | - | 126.7 |
| *Internally-developed software* | 188.8 | (124.2) | - | - | 64.6 |
| *Other software* | 316.3 | (254.3) | - | - | 62.1 |
| Other | 41.3 | (9.3) | (0.1) | - | 31.9 |
| **TOTAL** | **4,883.0** | **(902.6)** | **(90.2)** | **-** | **3,890.2** |

Intangible assets recognised under IFRS 4 in respect of portfolios of insurance contracts acquired in a business combination or portfolio transfer have been cancelled from assets and included in the calculation of the CSM in the IFRS 17 balance sheet.

### 6.2 Goodwill

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of the corresponding identifiable assets and liabilities. Negative goodwill is recognised directly in profit or loss.

Positive goodwill is:

- recognised in intangible assets when it arises on the acquisition of entities consolidated by the full consolidation method;
- included in investments accounted for using the equity method when it arises on the acquisition of an entity accounted for using the equity method;
- recognised in the local currency of the acquiree and translated into euros at the closing exchange rate when it arises on the acquisition of an international entity (outside the eurozone).

For impairment testing purposes, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies developed within the scope of the business combination resulting from the acquisition. A CGU is defined as the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The CNP Assurances Group identifies CGUs by entity or group of similar entities.

When goodwill is positive, it is stated in the balance sheet at cost less any accumulated impairment losses. It is not amortised but is tested for impairment:

- each year on the same date, usually close to the reporting date; or
- more frequently if events or changing market conditions indicate that it may have become impaired since it was last tested for impairment, or
- at the end of a period in which an acquisition has taken place if there is a marked deterioration in the business environment.

An impairment loss is recognised if the recoverable amount of the CGU to which the goodwill has been allocated is less than its carrying amount. The recoverable amount is defined as the higher of its fair value less costs to sell and value in use.

The CNP Assurances Group usually calculates value in use as the net asset value of the CGU plus the present value of expected future cash flows from existing portfolios and new business. Projected future cash flows are estimated based on the embedded value of in-force insurance contracts and investment contracts, and the value of new business.

Expected future cash flows are based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current agreements, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using discount rates in line with the weighted average cost of capital. The terminal values of subsidiaries do not assume growth to infinity.

### 6.2.1 *Goodwill by company*

Amounts are shown net of impairment:

| *(In € millions)* | Original goodwill | **Net goodwill at 30.06.2023** | Net goodwill at 31.12.2022 |
|---|---|---|---|
| La Banque Postale Prévoyance | 59.1 | 59.1 | 59.1 |
| SCI Lamartine | 35.9 | 35.9 | 35.9 |
| **TOTAL** | **95.0** | **95.0** | **95.0** |

At 30 June 2023, the Group obtained assurance that there were no indications of impairment for the subsidiaries concerned.

### 6.2.2 *Changes in goodwill for the period*

| *(In € millions)* | **30.06.2023** | 31.12.2022 |
|---|---|---|
| **Carrying amount at the beginning of the period** | 95.0 | 59.1 |
| Goodwill recognised during the period | - | 35.9 |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **95.0** | 95.0 |

## 6.3 Portfolios of investment contracts without DPF

The fair value of investment contracts without DPF acquired in a business combination or a portfolio transfer is analysed between:

- a liability measured in accordance with the accounting policies for investment contracts without DPF;
- the portfolio value, defined as the intangible asset representing the difference between the fair value of these contracts and the above liability.

At 30 June 2023, the Group did not have any portfolios of investment contracts without DPF acquired in a business combination or portfolio transfer.

## 6.4 Value of distribution agreements

The value of a distribution agreement represents the future cash flows expected to result from new business relating to a partner network falling within the scope of such an agreement. These intangible assets are estimated based on the terms and conditions specific to each agreement, and are amortised over the term of the agreement taking into account a residual value where appropriate.

| *(In € millions)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| **Gross amount at the beginning of the period** | 3,831.4 | 3,464.8 |
| Translation adjustments | 234.8 | 366.5 |
| **Gross amount at the end of the period** | **4,066.1** | **3,831.4** |
| **Accumulated amortisation and impairment at the beginning of the** | **(432.4)** | **(260.5)** |
| Amortisation for the period | (80.5) | (162.1) |
| Translation adjustments | (21.7) | (9.9) |
| **Accumulated amortisation and impairment at the end of the period** | **(534.6)** | **(432.4)** |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **3,531.6** | **3,399.0** |

In accordance with regulatory requirements, the Group determines at the end of each reporting period whether there is any indication that the asset may be impaired. Where appropriate, the asset's recoverable amount is estimated.

### XS2 Vida e Previdência SA

The value of the distribution agreement was initially recognised in intangible assets at cost for €3,677 million. It is being amortised by the straight-line method over the 25-year life of the agreement (from 2021 until February 2046). At 30 June 2023, its net carrying amount was €3,309 million. At 30 June 2023, expected future cash flows were derived from business projections for the period 2023-2032. Beyond 2032, growth assumptions were determined on a product-by-product basis.

### CNP Santander Insurance

The value of the distribution agreement was initially recognised at cost for €387 million and is being amortised by the straight-line method over the 20-year life of the agreement (2015-2034). At 30 June 2023, its net carrying amount was €222.5 million. The asset's value in use is calculated based on its net present value (NPV) extrapolated over the remaining life of the distribution agreement (i.e., until 2034) without taking into account any growth assumptions. The comparative net book value includes recognised earn-out payments.

## 6.5 Value of contractual customer relationships

When an insurance business is acquired, the fair value of the future economic benefits expected to flow to the Group from the current contractual customer relationships is recognised as an intangible asset, provided that a sufficiently reliable estimate can be made of premium renewals. Contractual customer relationships are amortised on a straight-line method over their useful life, as estimated based on the period during which the economic benefits are expected to be consumed:

- Individual Personal Risk insurance – Brazil: 10 years;
- Individual Personal Risk insurance – France: 15 years.

| *(In € millions)* | **30.06.2023** | 30.06.2022 |
|---|---|---|
| **Gross amount at the beginning of the period** | 410.1 | 389.6 |
| Translation adjustments | 13.1 | 20.4 |
| **Gross amount at the end of the period** | **423.2** | **410.1** |
| **Accumulated amortisation and impairment at the beginning of the period** | **(172.5)** | **(120.0)** |
| Amortisation for the period | (11.6) | (24.7) |
| Translation adjustments | (9.1) | (10.1) |
| **Accumulated amortisation and impairment at the end of the period** | **(193.2)** | **(172.5)** |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **229.9** | **237.6** |

In accordance with regulatory requirements, the Group determines at the end of each reporting period whether there is any indication that the asset may be impaired. Where appropriate, the asset's recoverable amount is estimated.

# Note 7 **Insurance investments**

## 7.1 Classification

### 7.1.1 *Accounting methods*

IFRS 9 defines three main accounting methods:

- at fair value through profit or loss (FVTPL),
- at fair value through other comprehensive income (FVOCI), and
- at amortised cost, determined using the effective interest method. This is a method of calculating the amortised cost of a financial asset or liability and allocating the finance income or expense over the period concerned.

Financial instruments at fair value through profit or loss are analysed between two sub-categories:

- assets (including derivatives) for which the FVTPL method is mandatory,
- assets designated as at FVTPL on initial recognition in order to reduce an accounting mismatch.

For shares and other equity instruments, where compatible with the portfolio management model, an alternative method may be applied to limit the earnings volatility resulting from the financial effects of changes in fair value. The alternative method consists of measuring the equity instruments at fair value through other comprehensive income not reclassifiable to profit or loss. Election to apply this method must be made on initial recognition of the instruments, and is irrevocable. When the instruments concerned are derecognised, the changes in fair value accumulated in other comprehensive income are not reclassified to profit or loss, but are treated as equity accumulated in prior years.

The CNP Assurances Group has elected to apply this alternative method for the majority of its equity portfolios.

### 7.1.2 *Determination of the accounting method*

The matrix used to determine the accounting method applicable to each financial instrument is defined by the CNP Assurances Group. Financial instruments are assigned an accounting method at the time of initial recognition, using a classification matrix that is mainly based on:

- the contractual cash flow characteristics of the financial asset (SPPI), and
- the business model used to manage the financial asset.

**SPPI criterion**

The Solely Payments of Principal and Interest (SPPI) criterion is considered as applying to a financial instrument when the contractual terms of the financial instrument give rise, on specified dates, to cash flows that correspond solely to payments of principal and payments of interest on the outstanding principal. The instruments concerned include vanilla bonds and notes, and loans and receivables that are exposed solely to issuer credit risk, to the exclusion of any other risks.

**Business model for managing financial assets**

The business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is specified for a portfolio of similar assets and does not depend on management's intentions for an individual instrument (IFRS 9.B4.1.2).

For this reason, analysis of the business model is based on the business's current organisation, with a level of granularity that reflects the management units (i.e. risk and performance monitoring units, such as the entity, geographical area, type of contract, profit centre manager, etc.).

IFRS 9 distinguishes between three business models:

- A business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect" model). The objective of this model is to collect contractual payments over a long period, generally corresponding to the life of the asset. In principle, financial assets allocated to this business model are not sold. However, their sale may be allowed in some circumstances (for example, sales due to an increase in the credit risk or of assets that are close to maturity, frequent sales representing non-material amounts, and isolated sales representing material or non-material amounts).

- A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (“hold to collect and sell” model). Financial assets may be held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Unlike under the “hold to collect” model, the sale of assets is integral to achieving the objectives of the business model. Consequently, under this business model, financial assets are generally sold more frequently and for larger amounts.
- Other business models.

**The accounting method attribution tree**

The following table lists all the possible combinations of accounting methods attributable to each financial instrument:

<table>
<tr><th>Nature</th><th>Characteristics (instrument)</th><th>Business model (portfolio)</th><th>Accounting method</th><th>Option</th></tr>
<tr><td rowspan="3">Equity instruments</td><td>Equities</td><td>Hold to collect</td><td rowspan="3">FVTPL</td><td>FVTOCI not reclassifiable</td></tr>
<tr><td>Equities</td><td>Hold to collect and sell</td><td>FVTOCI not reclassifiable</td></tr>
<tr><td>Other</td><td>Other</td><td></td></tr>
<tr><td rowspan="4">Debt instruments</td><td>SPPI</td><td>Hold to collect</td><td>Amortised cost</td><td>Designated as at FVTPL (1)</td></tr>
<tr><td>SPPI</td><td>Hold to collect and sell</td><td>FVTOCI</td><td>Designated as at FVTPL (1)</td></tr>
<tr><td>SPPI</td><td>Other</td><td rowspan="2">FVTPL</td><td></td></tr>
<tr><td>Non-SPPI</td><td></td><td></td></tr>
<tr><td>Derivatives</td><td></td><td></td><td>FVTPL</td><td></td></tr>
</table>

(1) Optional designation upon initial recognition to reduce an accounting mismatch with another financial instrument, an insurance liability, etc.

### 7.1.3 *Recognition*

Financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial instruments at fair value through profit or loss.

**Measurement method**

Financial instruments not measured at amortised cost are subsequently measured at fair value.

The change in fair value for the period is recorded:

- in the income statement for instruments measured at FVTPL, or
- directly in equity through OCI for instruments measured at FVTOCI, taking into account the deferred tax effect.

The fair values of financial instruments are determined in accordance with IFRS 13 and presented in Note 7.4.

For instruments measured at amortised cost, the CNP Assurances Group applies the effective interest method. Commissions and fees paid or received, directly attributable transaction costs, and all other premiums or discounts are recognised in the income statement over the expected life of the instrument.

**Structured entities**

CNP Assurances' business involves investing in different classes of financial instruments both in policyholder and own-fund portfolios as part of asset allocation and financial risk diversification strategies.

Under IFRS 12, structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. In the Group's case, mutual funds and asset-backed security funds fulfil the criteria for classification as structured entities.

Details of the CNP Assurances Group's investments in non-consolidated structured entities are disclosed in the annual financial statements, in compliance with IFRS 12.26 ("*An entity shall disclose qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed.*").

Mutual funds and non-trading property companies are fully consolidated (in accordance with IFRS 10) or accounted for by the equity method (in accordance with IAS 28). The level of control of mutual funds is assessed separately for each fund based on the following criteria:

- the relationship between the principal and the agent;
- the CNP Assurances Group's power over the fund manager;
- The Group's exposure to variable returns, as assessed by applying a specific threshold.

Non-controlling interests in fully consolidated mutual funds are reported separately in the IFRS balance sheet under "Liabilities towards holders of units in controlled mutual funds". Units in mutual funds are measured using the fund's most recently published net asset value. The underlying financial instruments are reported in the consolidated balance sheet under "Insurance investments" based on their contribution to the fund's net asset value.

The fair value of financial instruments for which there is no active market is estimated using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

### 7.1.4 *Derecognition*

A financial instrument is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

## 7.2 Impairment

### 7.2.1 *Principle introduced by IFRS 9*

Financial instruments other than those measured at fair value through profit or loss are tested for impairment at each reporting date. This model also applies to lease receivables and financial guarantees

No impairment loss is recognised on financial assets at fair value through profit or loss, as the counterparty risk is taken into account in the fair value calculation in accordance with IFRS 13.

The impairment model is designed to recognise the expected credit loss ("'ECL") over the life of financial assets whose credit risk has increased significantly since initial recognition, taking into account all reasonable and supportable information, including forward-looking information.

This principle involves assessing the probability of a credit loss occurring and estimating the resulting cash shortfall corresponding to the difference between the cash flows due under the contract terms and the cash flows that are expected to be received, even if it is more likely than not that no credit loss will be incurred. This means incorporating forward-looking information into the assessment of expected credit losses.

The general approach is based on two measurement criteria:

- 12-month expected credit losses, and
- lifetime expected credit losses.

To determine whether financial assets are exposed to a risk of credit losses within 12 months or within the assets' lifetime, they are classified according to the increase in credit risk since initial recognition.

At the next reporting date, the assets may be allocated to one of three buckets:

- Bucket 1: No significant increase in credit risk since initial recognition or low level of risk: the expected credit loss is estimated based on the probability of a credit event occurring within 12 months;
- Bucket 2: Significant increase in credit risk since initial recognition or high risk of default (non-investment grade assets, for example): the expected credit loss is estimated based on the probability of a credit event occurring over the lifetime of the assets;
- Bucket 3: The asset is credit impaired, i.e. it is in default following the occurrence of a credit event.

The CNP Assurances Group uses its judgement to assess whether the credit risk on a financial asset has increased significantly since initial recognition. This relative approach requires the implementation of procedures to track changes in the credit quality of financial assets over time. The CNP Assurances Group's procedures are based primarily on data from the rating agencies.

### 7.2.2 *Recognition*

The expected credit loss is recognised on initial recognition of the financial instrument. On the acquisition date, the expected credit loss is estimated on the basis of:

- the probability of default (PD), and
- the loss given default (LGD)

The PD and LGD estimates are based on multiple macro-economic scenarios weighted by occurrence.

The estimated expected credit loss is recognised in profit or loss for the year and varies throughout the holding period of the financial instrument until exposure to the issuer's credit risk is extinguished.

Financial instruments that are credit impaired are classified in bucket 3; in this case, the loss allowance corresponds to an amount equal to the estimated lifetime credit loss.

## 7.3 Investment property

Investment property is property (land or buildings) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

IAS 40 – Investment Property has been amended by IFRS 17, which clarifies the conditions for accounting for investment property using the amortised cost or fair value model in accordance with IAS 40.30-32.

A single accounting method is used for a given investment property, whether it is held directly or indirectly via shares in a property company or units in a property fund controlled at group level:

- Properties underlying participating insurance contracts are systematically valued at fair value through profit or loss.

- Investment properties held directly in own funds portfolios or backing non-participating contracts may be measured at fair value through profit or loss or at amortised cost.

Details of the fair values of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by France's insurance supervisor, ACPR. In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

In accordance with the option offered by IAS 40, as amended following the publication of IFRS 17, the CNP Assurances Group has elected to measure at fair value investment property that is an underlying component of insurance contracts with direct participation features or investment contracts with discretionary participation features measured using the VFA model.

**Impairment**

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a loss of over 20% of the building's value measured against cost. If there is evidence of impairment, the CNP Assurances Group estimates the recoverable amount of the building concerned.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the Group's entire property portfolio.

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit or loss in respect of property and the captions impacted by the movements.

It presents:

- the gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;
- a reconciliation of the carrying amounts of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of an international transaction into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes;
- the fair value of investment properties held in unit-linked portfolios.

| **Carrying amount of investment property** *(In € millions)* | **30.06.2023** | 31.12.2022 |
|---|---|---|
| **Investment property at amortised cost** | | |
| Gross value | 1,064.4 | 1,099.9 |
| Accumulated depreciation | (55.7) | (58.3) |
| Accumulated impairment losses | (0.7) | (0.7) |
| **Carrying amount** | **1,008.0** | **1,040.8** |
| **Investment property measured by the fair value model** | **5,768.3** | **5,765.9** |
| **TOTAL INVESTMENT PROPERTY** | **6,776.2** | **6,806.7** |

| Investment property at amortised cost *(In € millions)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **1,040.8** | **857.8** |
| Acquisitions | 18.1 | 82.1 |
| Disposals | (46.3) | (33.5) |
| Depreciation for the period | (3.4) | (4.9) |
| Impairment losses recognised during the period | (0.6) | (0.3) |
| Impairment losses reversed during the period | 0.6 | 0.9 |
| Other movements* | (1.1) | 138.8 |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **1,008.0** | **1,040.8** |

*Other movements in 2022 correspond to offices in the head office building that were rented out.

| Investment property measured by the fair value model *(In € millions)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **5,765.9** | **2,971.6** |
| Acquisitions | 283.1 | 870.4 |
| Effect of changes in consolidation scope | (200.7) | 1,869.5 |
| Disposals | 13.6 | (18.7) |
| Impairment losses recognised during the period | (95.5) | (29.5) |
| Impairment losses reversed during the period | 0.3 | 100.6 |
| Translation adjustments | 1.3 | 2.4 |
| Other movements | 0.2 | (0.3) |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **5,768.3** | **5,765.9** |

As explained in the description of significant accounting policies, investment properties backing direct participating insurance contracts are measured at fair value, while other investment properties are measured using the cost model.

## 7.4 Analysis of investments

The following tables show the fair value of securities held by the CNP Assurances Group, by category and intended holding period.

### 7.4.1 *Investments by accounting category at 30 June 2023*

| *(In € millions)* | | Cost(1) | Amortisation | Impairment | Fair value adjustments | Carrying amount | Unrealised gains and losses |
|---|---|---|---|---|---|---|---|
| **Financial assets at fair value through profit or loss** | Government bonds and equivalents | | | | | 26,608.8 | |
| | Senior corporate bonds | | | | | 22,423.4 | |
| | Junior corporate bonds | | | | | 3,844.1 | |
| | Loans and receivables | | | | | 5,235.6 | |
| | TCNs (money market securities) | | | | | 9,648.8 | |
| | Equities and other variable-income securities | | | | | 7,277.9 | |
| | Mutual funds | | | | | 109,194.8 | |
| | Shares in property companies and funds | | | | | 10,471.7 | |
| | Other[2] | | | | | 3,311.4 | |
| | **Total** | | | | | **198,016.7** | |
| **Financial assets at fair value through OCI reclassifiable to profit or loss** | Government bonds and equivalent | 123,147.5 | (3,995.5) | (123.2) | (22,923.0) | 96,105.8 | |
| | Senior corporate bonds | 93,241.7 | (1,396.3) | (164.1) | (11,824.3) | 79,857.1 | |
| | Junior corporate bonds | 2,909.9 | (26.7) | (5.5) | (378.7) | 2,499.1 | |
| | Loans and receivables | - | - | - | - | - | |
| | TCNs (money market securities) | - | - | - | - | - | |
| | **Total** | **219,299.2** | **(5,418.5)** | **(292.8)** | **(35,125.9)** | **178,462.0** | |
| **Financial assets at fair value through OCI not reclassifiable to profit or loss** | Equities and other variable-income securities | 12,137.2 | | | 3,792.5 | 15,929.7 | |
| | Investments in non-consolidated companies | - | | | - | - | |
| | Shares in property companies and funds | 0.7 | | | 0.8 | 1.5 | |
| | Other | - | | | - | - | |
| | **Total** | **12,137.9** | | | **3,793.3** | **15,931.2** | |
| **Financial assets at amortised cost** | Government bonds and equivalent | 737.1 | 1.9 | (0.9) | | 738.2 | - |
| | Senior corporate bonds | 1,164.8 | 1.2 | (1.8) | | 1,164.3 | (8.9) |
| | Junior corporate bonds | 37.3 | 0.0 | (0.1) | | 37.2 | - |
| | Loans and receivables | 21.9 | - | (16.5) | | 5.4 | - |
| | TCNs (money market securities) | - | - | - | | - | - |
| | **Total** | **1,961.2** | **3.2** | **(19.2)** | | **1,945.1** | **(8.9)** |
| **Derivative instruments[3]** | Derivative instruments (positive fair value) | | | | | 2,304.7 | |
| | Derivative instruments (negative fair value) | | | | | (1,392.3) | |
| | **Total** | | | | | **912.5** | |
| **Investment property** | Investment property at amortised cost | 1,064.4 | (55.7) | (0.7) | - | 1,008.0 | 158.8 |
| | Investment property measured by the fair value | 5,311.3 | - | - | 457.0 | 5,768.3 | |
| | **Total** | **6,375.7** | **(55.7)** | **(0.7)** | **457.0** | **6,776.2** | **158.8** |
| **Total** | | **239,773.9** | **(5,471.0)** | **(312.8)** | **(30,875.6)** | **402,043.7** | **149.9** |

(1) Including accrued interest
(2) Other non-consolidated funds and equity investments
(3) Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

### 7.4.2 *Investments by type at 30 June 2023*

| | Financial assets at fair value through profit or loss | | Financial assets at fair value through OCI | | Financial assets at amortised cost | Total |
|---|---|---|---|---|---|---|
| *(In € millions)* | Designated as at FVTPL | Mandatory FVTPL | Reclassifiable to profit or loss | Not reclassifiable to profit or loss | | |
| Government bonds and equivalent | 3,360.5 | 23,248.3 | 96,105.8 | | 738.2 | **123,452.8** |
| Senior corporate bonds | 1,578.8 | 20,844.6 | 79,857.1 | | 1,164.3 | **103,444.8** |
| Junior corporate bonds | 119.4 | 3,724.7 | 2,499.1 | | 37.2 | **6,380.4** |
| Loans and receivables | - | 5,235.6 | - | | 5.4 | **5,241.1** |
| TCNs (money market securities) | | 9,648.8 | - | | - | **9,648.8** |
| Mutual funds | | 109,194.8 | | | | **109,194.8** |
| **Debt instruments** | **5,058.8** | **171,896.9** | **178,462.0** | - | **1,945.1** | **357,362.8** |
| Equities and other variable-income securities | | 7,277.9 | | 15,929.7 | | **23,207.6** |
| Shares in property companies and funds | | 10,471.7 | | | | **10,471.7** |
| Other (shares in SNC, SCI, SAS) | | 3,311.4 | | 1.5 | | **3,312.9** |
| **Equity instruments** | | **21,061.0** | | **15,931.2** | | **36,992.2** |
| **Derivative instruments (positive fair value)** | | **2,304.7** | | | | **2,304.7** |
| Investment property at amortised cost | | | | | 1,008.0 | **1,008.0** |
| Investment property measured by the fair value model | 3,928.8 | 1,839.5 | | | | **5,768.3** |
| **Investment property** | **3,928.8** | **1,839.5** | - | - | **1,008.0** | **6,776.2** |
| **TOTAL FINANCIAL ASSETS (A)** | **8,987.6** | **197,102.1** | **178,462.0** | **15,931.2** | **2,953.1** | **403,436.0** |
| Derivative instruments (negative fair value) | | 1,392.3 | | | | **1,392.3** |
| **TOTAL FINANCIAL LIABILITIES (B)** | | **1,392.3** | | | | **1,392.3** |
| **TOTAL INVESTMENT PORTFOLIO (A) - (B)** | **8,987.6** | **195,709.8** | **178,462.0** | **15,931.2** | **2,953.1** | **402,043.7** |

### 7.4.3 *Investments by accounting category at 31 December 2022*

| *(In € millions)* | | Cost(1) | Amortisation | Impairment | Fair value adjustments | Carrying amount | Unrealised gains and losses |
|---|---|---|---|---|---|---|---|
| **Financial assets at fair value through profit or loss** | Government bonds and equivalent | | | | | 23,914.5 | |
| | Senior corporate bonds | | | | | 20,551.8 | |
| | Junior corporate bonds | | | | | 4,002.5 | |
| | Loans and receivables | | | | | 5,356.2 | |
| | TCNs (money market securities) | | | | | 10,015.4 | |
| | Equities and other variable-income securities | | | | | 7,183.5 | |
| | Mutual funds | | | | | 107,614.8 | |
| | Shares in property companies and funds | | | | | 10,960.4 | |
| | Other[2] | | | | | 2,923.8 | |
| | **Total** | | | | | **192,522.8** | |
| **Financial assets at fair value through OCI reclassifiable to profit or loss** | Government bonds and equivalent | 125,959.4 | (3,810.5) | (121.1) | (24,827.6) | 97,200.3 | |
| | Senior corporate bonds | 97,240.2 | (1,501.9) | (172.4) | (12,840.2) | 82,725.7 | |
| | Junior corporate bonds | 2,804.5 | (22.5) | (7.0) | (397.6) | 2,377.4 | |
| | Loans and receivables | 0.0 | - | - | (0.0) | - | |
| | TCNs (money market securities) | 119.8 | - | (0.0) | (0.1) | 119.7 | |
| | **Total** | **226,124.0** | **(5,334.9)** | **(300.5)** | **(38,065.4)** | **182,423.2** | |
| **Financial assets at fair value through OCI not reclassifiable to profit or loss** | Equities and other variable-income securities | 13,720.4 | | | 2,165.5 | 15,885.9 | |
| | Investments in non-consolidated companies | - | | | - | - | |
| | Shares in property companies and funds | 0.8 | | | 0.8 | 1.5 | |
| | Other | - | | | - | - | |
| | **Total** | **13,721.2** | | | **2,166.3** | **15,887.4** | |
| **Financial assets at amortised cost** | Government bonds and equivalent | 97.1 | (0.3) | (0.5) | | 96.3 | 1.1 |
| | Senior corporate bonds | 0.0 | (0.0) | - | | - | - |
| | Junior corporate bonds | - | - | - | | - | - |
| | Loans and receivables | 22.0 | - | (16.5) | | 5.5 | - |
| | TCNs (money market securities) | - | - | - | | - | - |
| | **Total** | **119.1** | **(0.4)** | **(17.0)** | | **101.8** | **1.1** |
| **Derivative instruments[3]** | Derivative instruments (positive fair value) | | | | | 3,851.3 | |
| | Derivative instruments (negative fair value) | | | | | (1,588.9) | |
| | **Total** | | | | | **2,262.4** | |
| **Investment property** | Investment property at amortised cost | 1,099.9 | (58.3) | (0.7) | - | 1,040.8 | 205.4 |
| | Investment property measured by the fair value model | 5,319.0 | - | - | 446.9 | 5,765.9 | |
| | **Total** | **6,418.8** | **(58.3)** | **(0.7)** | **446.9** | **6,806.7** | **205.4** |
| **TOTAL** | | **246,383.1** | **(5,393.6)** | **(318.2)** | **(35,452.2)** | **400,004.3** | **206.5** |

(1) Including accrued interest
(2) Other non-consolidated funds and equity investments
(3) Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

### 7.4.4 *Investments by type at 31 December 2022*

| (In € millions) | Financial assets at fair value through profit or loss: Designated as at FVTPL | Financial assets at fair value through profit or loss: Mandatory FVTPL | Financial assets at fair value through OCI: Reclassifiable to profit or loss | Financial assets at fair value through OCI: Not reclassifiable to profit or loss | Financial assets at amortised cost | Total |
|---|---|---|---|---|---|---|
| Government bonds and equivalent | 3,324.7 | 20,589.8 | 97,200.3 | | 96.3 | **121,211.1** |
| Senior corporate bonds | 1,766.7 | 18,785.1 | 82,725.7 | | - | **103,277.5** |
| Junior corporate bonds | 150.2 | 3,852.3 | 2,377.4 | | - | **6,380.0** |
| Loans and receivables | - | 5,356.2 | - | | 5.5 | **5,361.7** |
| TCNs (money market securities) | | 10,015.4 | 119.7 | | - | **10,135.1** |
| Mutual funds | | 107,614.8 | | | | **107,614.8** |
| **Debt instruments** | **5,241.6** | **166,213.6** | **182,423.2** | - | **101.8** | **353,980.2** |
| Equities and other variable-income securities | | 7,183.5 | | 15,885.9 | | **23,069.4** |
| Shares in property companies and funds | | 10,960.4 | | | | **10,960.4** |
| Other (shares in SNC, SCI, SAS) | | 2,923.8 | | 1.5 | | **2,925.3** |
| **Equity instruments** | | **21,067.6** | | **15,887.4** | | **36,955.0** |
| **Derivative instruments (positive fair value)** | | **3,851.3** | | | | **3,851.3** |
| Investment property at amortised cost | | | | | 1,040.8 | **1,040.8** |
| Investment property measured by the fair value model | 4,112.2 | 1,653.7 | | | | **5,765.9** |
| **Investment property** | **4,112.2** | **1,653.7** | - | - | **1,040.8** | **6,806.7** |
| **TOTAL FINANCIAL ASSETS (A)** | **9,353.8** | **192,786.2** | **182,423.2** | **15,887.4** | **1,142.6** | **401,593.2** |
| Derivative instruments (negative fair value) | | 1,588.9 | | | | 1,588.9 |
| **TOTAL FINANCIAL LIABILITIES (B)** | | **1,588.9** | | | | **1,588.9** |
| **TOTAL INVESTMENT PORTFOLIO (A) - (B)** | **9,353.8** | **191,197.3** | **182,423.2** | **15,887.4** | **1,142.6** | **400,004.3** |

### 7.4.5 *Equity instruments at fair value through OCI not reclassifiable to profit or loss*

Equities and other variable-income securities may be measured at fair value through OCI not reclassifiable to profit or loss. This irrevocable option limits earnings volatility, since changes in fair value and realised gains and losses are recognised in equity.

| (In € millions) | 30.06.2023: Fair value | 30.06.2023: Dividends received | 30.06.2023: Unrealised gains/losses | 31.12.2022: Fair value | 31.12.2022: Dividends received | 31.12.2022: Unrealised gains/losses |
|---|---|---|---|---|---|---|
| Equities, other variable-income securities and other securities held as long-term | 15,929.7 | 430.7 | 3,792.5 | 15,885.9 | 517.3 | 2,165.5 |
| Shares in property companies and funds | 1.5 | - | 0.8 | 1.5 | - | 0.8 |
| **Carrying amount of financial assets at fair value through OCI not reclassifiable to profit or loss** | **15,931.2** | **430.7** | **3,793.3** | **15,887.4** | **517.3** | **2,166.3** |
| Tax | | - | (752.9) | | - | (333.1) |
| **Gains and losses recognised directly in equity on equity instruments at fair value through OCI not reclassifiable to profit or loss (net of tax)** | | **-** | **3,040.3** | | **517.3** | **1,833.2** |

### 7.4.6 *Equity instruments at fair value through OCI not reclassifiable to profit or loss derecognised during the reporting period*

| 30.06.2023 | | | | |
|---|---|---|---|---|
| Reason for derecognition | Fair value at date of derecognition | Dividends received | Disposal date cumulative gain or loss | Transfer of cumulative gain or loss between equity components |
| Surrenders | - | - | - | - |
| Transfers between traditional anc | - | - | - | - |
| Management decision | 2,137.8 | 17.8 | 298.9 | 470.1 |
| Other corporate actions (includin | - | - | - | - |
| **TOTAL** | **2,137.8** | **17.8** | **298.9** | **470.1** |

| 30.06.2022 | | | | |
|---|---|---|---|---|
| Reason for derecognition | Fair value at date of derecognition | Dividends received | Disposal date cumulative gain or loss | Transfer of cumulative gain or loss between equity components |
| Surrenders | - | - | - | - |
| Transfers between traditional anc | - | - | - | - |
| Management decision | 2,037.0 | 2.0 | 368.2 | 262.7 |
| Other corporate actions (includin | - | - | - | - |
| **TOTAL** | **2,037.0** | **2.0** | **368.2** | **262.7** |

### 7.4.7 *Reconciliation of the "Insurance investments" and "Investments" schedules*

| *(In € millions)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| Investments | 402,043.7 | 400,004.3 |
| Balance sheet – Liabilities – Derivative instruments (negative | 1,392.3 | 1,588.9 |
| Balance sheet – Assets – Insurance investments | 403,436.0 | 401,593.2 |
| **Difference** | **-** | **(0)** |

## 7.5 Measurement of assets recognised at fair value

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions conducted on an arm's length basis. The main criteria used in determining whether or not a market is active is how recent the quoted prices actually are as well as the liquidity of the securities traded. The market in question will be considered inactive if one or more of the following indicators is observed: a sharp fall in the number of transactions, a major increase in settlement costs or volatility, or a rapid widening in Z-spreads.

In the case of financial instruments whose price is not quoted in an active market (i.e., no price is quoted or a price is quoted but the market does not qualify as active, as is the case for certain structured products), fair value prices are estimated using valuation techniques. These are based on:

- prices not freely available provided upon demand by the arrangers or pricing services, or prices provided by an external agency that are freely available but where the market on which the assets are traded is not always active;
- internal models that maximise the use of observable market data to measure financial assets.

***Structured product valuation principles***

The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices quoted by the arrangers correspond to the estimated amount that a buyer would be willing to pay to purchase the asset. Actual prices could be significantly different from these estimates, due to various factors such as credit spreads, market liquidity, the size of the position, financing costs, and hedging costs and risks.

The valuation techniques used:

- make maximum use of market inputs;
- incorporate all factors that market participants would consider in setting a price; and
- are consistent with accepted economic methodologies for pricing financial instruments.

The prices established by the counterparties are obtained in principle every month, in particular following the signature of a liquidity letter. The valuations communicated by the counterparties correspond to an economic value of the securities.

The CNP Assurances Group verifies the reliability of these data from an evaluation whenever possible (estimated future cash flows for example), or questions counterparties as to the methodologies used if necessary. The values of the counterparties examined so far have been confirmed by the CNP Assurances Group, which ensures both the quality of the counterparty valuation methods and the quality of the ratings of the issues and the absence of a credit incident.

**Fair value hierarchy**

Financial instruments are classified in three categories based on the fair value hierarchy, as follows:

**Level 1**: financial instruments measured using quoted prices in active markets.

The fair value of most financial instruments held by the CNP Assurances Group is determined based on the quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions conducted on an arm's length basis. The active market for such instruments is the market in which the most recent prices were quoted along with the largest volumes of transactions. The following financial assets are measured at their quoted market price:

- equities, measured on the basis of quoted prices on their reference market;
- mutual fund units, measured at their net asset value;
- bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent quoted prices available on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows), with the choice of market determined in part by liquidity factors;
- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
- derivatives listed on an organised market.

**Level 2**: financial instruments measured by standard valuation techniques using mainly observable inputs.

These include:

- certain structured products measured using an internal model and mainly market parameters;
- derivative instruments purchased over-the-counter that are measured using an internal model and mainly market parameters;
- money-market securities that are no longer listed and are measured based on the zero coupon price curve plus a spread;
- investment property measured based on prices recorded for similar recent transactions or the rental value of equivalent-type properties;
- any other over-the-counter financial instruments.

Structured products held by the CNP Assurances Group consist of financial instruments for which income is indexed to indices, baskets of equities, hedge funds, interest rates and credits. They may also comprise embedded derivatives that can modify the structure of revenues or repayments.

The Group uses valuations of its complex products prepared internally, or by an external valuer, acting as a delegate. They include structured products and derivative instruments used for hedging purposes. Due to their complexity, the valuation process involves using sophisticated models and methods, generally based on a probabilistic approach.

Overall, these two product categories are valued using market models and the market data required for each model at the calculation date (see table below).

| Structured products | Models/Methods |
|---|---|
| **Interest-rate linked structured notes** | Libor Market Four-Factor Model (LMM)<br>Hybrid Equity Black-FX Model<br>Hull-White One-Factor Model |
| **Equity linked structured notes** | Dupire Model<br>Heston Model<br>Hybrid Equity Dupire-IR Model<br>Hull White One-Factor Model |
| **Inflation-indexed complex structured products** | Jarrow-Yildirim Model |

| Asset class | Financial instruments | Models/Methods |
|---|---|---|
| **Interest rate derivatives** | **Interest rate swaps** | Future cash flows discounted using bi-curve model |
| | **Swaps with an embedded option** | Black model |
| | **Caps/floors** | SABR smile model<br>Hull-White One-Factor Model (stochastic volatility)<br>CMS replication |
| **Inflation derivatives** | **Inflation swaps** | Black model |
| | | SABR smile model |
| **Credit derivatives** | **CDS options** | Black-Scholes formula (Markit volatilities) |
| **Equity derivatives** | **Floors** | Heston model calibrated across the SX5E's entire implicit volatility surface and Black-Scholes using historical volatility for the EMTXGC and QW1M funds |
| | **CAC and SX5E puts** | Black-Scholes model with volatility surface developed based on option prices quoted on Bloomberg |
| **Currency derivatives** | **JPY swaps (with currency option at each swaplet)** | FX Basket (FXBA) model with Black-Scholes (Reuters volatilities) |
| **Funds** | **Fund options (Quattro)** | Black Basket model with historical volatility |

**Level 3**: financial instruments measured using mainly unobservable inputs. These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.

This category includes the Group's investments in unlisted companies and certain asset-backed securities. Unlisted securities are measured using information not available on an active market. The main valuation techniques are the market multiples method, comparisons with recent market transactions and the dividend discount model (DDM), corresponding to the techniques commonly used to manage these instruments. In addition, some complex structured securities for which valuation is obtained through the counterparty are classified in this category.

### 7.5.1 *Fair value measurement methods at 30 June 2023*

| *(In € millions)* | Carrying amount | Fair value | Level 1: last available quotation of assets quoted in an active market | Level 2: estimated market value using valuation model based on observable market inputs | Level 3: estimated market value using valuation model not based solely on observable market inputs |
|---|---|---|---|---|---|
| Financial assets at fair value through profit or loss | 198,016.7 | 198,016.7 | 146,959.2 | 30,763.7 | 20,293.8 |
| Financial assets at fair value through OCI | 194,393.2 | 194,393.2 | 188,499.1 | 2,093.5 | 3,800.6 |
| Derivative instruments | 2,304.7 | 2,304.7 | 0.1 | 2,274.2 | 30.4 |
| **Total financial assets at fair value** | **394,714.6** | **394,714.6** | **335,458.4** | **35,131.4** | **24,124.9** |
| Investment property at fair value | 5,768.3 | 5,768.3 | - | 5,768.3 | - |
| Investment property at amortised cost | 1,008.0 | 1,166.8 | - | 1,166.8 | - |
| **Total investment property** | **6,776.2** | **6,935.1** | **-** | **6,935.1** | **-** |
| Investment contract liabilities | 2,498.1 | 2,495.8 | 732.6 | 1,763.2 | - |
| Subordinated debt (including accrued interest) | 7,066.8 | 5,967.4 | - | 5,967.4 | - |
| Derivative financial instruments with a negative fair va | 1,392.3 | 1,392.3 | - | 1,392.3 | - |
| **Total financial liabilities** | **10,957.1** | **9,855.4** | **732.6** | **9,122.8** | **-** |

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

| *(In € millions)* | **30.06.2023** |
|---|---|
| Debt securities | 7,756.2 |
| *o/w structured bonds* | *232.9* |
| Shares in non-trading property companies | 9,103.9 |
| Investment funds | 1,204.8 |
| Investments backing investment contracts | 13,507.7 |
| Other (including derivative instruments) | 3,558.8 |
| **TOTAL "LEVEL 2" FINANCIAL ASSETS** | **35,131.4** |

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

| *(In € millions)* | **30.06.2023** |
|---|---|
| Debt securities | 5,714.7 |
| *o/w structured bonds* | *1,303.9* |
| Shares in non-trading property companies | 9.1 |
| Investment funds | 14,431.1 |
| Investments backing investment contracts | 2,948.1 |
| Other (including derivative instruments) | 1,021.9 |
| **TOTAL "LEVEL 3" FINANCIAL ASSETS** | **24,124.9** |

The group's derivative instruments are collateralised and the counterparty risk is therefore limited. In addition, the credit value adjustment ("CVA") is not material, due to the nature of CNP Assurances' forward financial instruments and the calculation base.

### 7.5.2 *Fair value measurement methods at 31 December 2022*

| *(In € millions)* | Carrying amount | Fair value | Level 1: last available quotation of assets quoted in an active market | Level 2: estimated market value using valuation model based on observable market inputs | Level 3: estimated market value using valuation model not based solely on observable market inputs |
|---|---|---|---|---|---|
| Financial assets at fair value through profit or loss | 192,522.8 | 192,522.8 | 139,163.6 | 33,303.9 | 20,055.3 |
| Financial assets at fair value through OCI | 198,310.6 | 198,310.6 | 191,812.0 | 2,236.9 | 4,261.8 |
| Derivative instruments | 3,851.3 | 3,851.3 | 0.2 | 3,790.5 | 60.6 |
| **Total financial assets at fair value** | **394,684.7** | **394,684.7** | **330,975.7** | **39,331.3** | **24,377.7** |
| Investment property at fair value | 5,765.9 | 5,765.9 | - | 5,765.9 | - |
| Investment property at amortised cost | 1,040.8 | 1,246.2 | - | 1,246.2 | - |
| **Total investment property** | **6,806.7** | **7,012.1** | **-** | **7,012.1** | **-** |
| Investment contract liabilities | 2,453.3 | 2,450.9 | 742.8 | 1,708.2 | - |
| Subordinated debt (including accrued interest) | 6,856.3 | 5,767.9 | - | 5,767.9 | - |
| Derivative financial instruments with a negative fai | 1,588.9 | 1,588.9 | - | 1,588.9 | - |
| **Total financial liabilities** | **10,898.4** | **9,807.7** | **742.8** | **9,065.0** | **-** |

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

| *(In € millions)* | 31.12.2022 |
|---|---|
| Debt securities | 7,530.6 |
| *o/w structured bonds* | *215.0* |
| Shares in non-trading property companies | 9,540.3 |
| Investment funds | 2,172.0 |
| Investments backing investment contracts | 15,138.5 |
| Other (including derivative instruments) | 4,949.9 |
| **TOTAL "LEVEL 2" FINANCIAL ASSETS** | **39,331.3** |

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

| *(In € millions)* | 31.12.2022 |
|---|---|
| Debt securities | 6,369.9 |
| *o/w structured bonds* | *1,396.4* |
| Shares in non-trading property companies | 9.1 |
| Investment funds | 14,022.6 |
| Investments backing investment contracts | 2,947.8 |
| Other (including derivative instruments) | 1,028.4 |
| **TOTAL "LEVEL 3" FINANCIAL ASSETS** | **24,377.7** |

### 7.5.3 *Movements for the period in securities measured using a valuation model not based solely on observable market inputs*

| *(In € millions)* | 30.06.2023 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Opening carrying amount** | **Newly-consolidated companies** | **Acquisition** | **Maturity** | **Transfers to level 3 (additions)** | **Transfers from level 3 (disposals)** | **Impact of sales of securities at fair value through profit or loss** | **Impact of sales of securities at fair value through OCI** | **Remeasurement at fair value through OCI** | **Remeasurement at fair value through profit or loss** | **Impairment** | **Translation adjustments** | **Other movements** | **Closing carrying amount** |
| Financial assets at fair value through profit or loss | 20,055.3 | - | 866.9 | (290.0) | 104.1 | (336.9) | (378.4) | - | - | 270.1 | - | 0.6 | 2.2 | 20,293.8 |
| Financial instruments at fair value through OCI | 4,261.8 | - | 150.0 | (58.7) | - | (486.4) | - | (16.1) | (47.9) | - | 0.3 | - | (2.3) | 3,800.6 |
| Derivative instruments | 60.6 | - | - | - | - | - | - | - | - | (30.2) | - | - | - | 30.4 |
| **Total financial assets at fair value** | **24,377.7** | **-** | **1,016.9** | **(348.7)** | **104.1** | **(823.3)** | **(378.4)** | **(16.1)** | **(47.9)** | **239.9** | **0.3** | **0.6** | **(0.1)** | **24,124.9** |
| Investment property measured by the fair value model | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment property at amortised cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total investment property** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Financial liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total financial liabilities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

| *(In € millions)* | 31.12.2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening carrying amount | Newly-consolidated companies | Acquisition | Maturity | Transfers to level 3 (additions) | Transfers from level 3 (disposals) | Impact of sales of securities at fair value through profit or loss | Impact of sales of securities at fair value through OCI | Remeasurement at fair value through OCI | Remeasurement at fair value through profit or loss | Impairment | Translation adjustments | Other movements | Closing carrying amount |
| Financial assets at fair value through profit or loss | 18,165.3 | 0.3 | 4,986.7 | (1,581.5) | 165.6 | (986.2) | (1,218.5) | - | - | 340.6 | - | 1.1 | 182.1 | 20,055.3 |
| Financial instruments at fair value through OCI | 2,700.6 | - | 2,883.0 | (169.8) | 244.3 | (108.3) | - | (54.1) | (1,213.4) | - | 0.1 | - | (20.6) | 4,261.8 |
| Derivative instruments | 21.6 | - | - | - | - | - | - | - | - | 39.0 | - | - | - | 60.6 |
| **Total financial assets at fair value** | **20,887.5** | **0.3** | **7,869.7** | **(1,751.3)** | **409.9** | **(1,094.5)** | **(1,218.5)** | **(54.1)** | **(1,213.4)** | **379.6** | **0.1** | **1.1** | **161.5** | **24,377.7** |
| Investment property measured by the fair value model | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment property at amortised cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total investment property** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Financial liabilities | 0.6 | - | - | - | - | - | - | - | - | (0.6) | - | - | - | - |
| **Total financial liabilities** | **0.6** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(0.6)** | **-** | **-** | **-** | **-** |

## 7.6 Derivative instruments

A derivative is a financial instrument or other contract within the scope of IFRS 9 with all three of the following characteristics:

a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the "underlying");

b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

c) it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit or loss except for instruments designated as hedges whose effectiveness can be demonstrated.

Embedded derivatives are separated from their host contract and recognised as derivative instruments when the following three conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) contract is not measured at fair value with changes in fair value recognised in profit or loss.

If the CNP Assurances Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity:

| | 30.06.2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Due within 1 year | | Due in 1 to 5 years | | Due in 6 to 10 years | | Due in 11 to 15 years | | Due in ≥ 15 years | | Total | |
| *(In € millions)* | FV+ | FV- | FV+ | FV- | FV+ | FV- | FV+ | FV- | FV+ | FV- | FV+ | FV- |
| Swaps | 3.4 | (221.0) | 23.3 | (252.3) | 98.6 | (195.2) | 18.8 | (14.3) | 40.7 | (85.8) | 184.9 | (768.6) |
| Caps/floors | 25.5 | (311.3) | 1,444.6 | - | 285.9 | - | 122.3 | - | - | (0.3) | 1,878.2 | (311.6) |
| Equity | 54.1 | (110.9) | 176.3 | (201.1) | 9.6 | - | 1.6 | - | - | - | 241.6 | (312.1) |
| **TOTAL** | **83.0** | **(643.3)** | **1,644.3** | **(453.4)** | **394.1** | **(195.2)** | **142.7** | **(14.3)** | **40.7** | **(86.0)** | **2,304.7** | **(1,392.3)** |

| | 31.12.2022 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Due within 1 year | | Due in 1 to 5 years | | Due in 6 to 10 years | | Due in 11 to 15 years | | Due in ≥ 15 years | | Total | |
| *(In € millions)* | FV+ | FV- | FV+ | FV- | FV+ | FV- | FV+ | FV- | FV+ | FV- | FV+ | FV- |
| Swaps | 3.8 | (246.9) | 17.1 | (293.8) | 125.3 | (202.8) | 19.6 | (18.9) | 69.3 | (83.0) | 235.0 | (845.3) |
| Caps/floors | 7.5 | (467.2) | 2,479.2 | (19.9) | 311.8 | - | 172.2 | - | - | (0.3) | 2,970.7 | (487.4) |
| Equity | 154.1 | (10.2) | 476.9 | (245.9) | 12.8 | - | 1.8 | - | - | - | 645.6 | (256.1) |
| **TOTAL** | **165.4** | **(724.3)** | **2,973.2** | **(559.6)** | **449.8** | **(202.8)** | **193.6** | **(18.9)** | **69.3** | **(83.2)** | **3,851.3** | **(1,588.9)** |

## 7.7 Hedge accounting

IFRS 9 offers the option of deferring application of the new hedge accounting provisions. However, the Group has decided to apply the micro-hedging provisions of IFRS 9 from 1 January 2023. Concerning macro-hedges of interest rate risks, the fair value method adopted for use in the European Union continues to apply.

Hedge accounting is an alternative method of accounting recognition designed to neutralise the impact of the derivative’s volatility on profit or loss. It applies to the hedging relationship between:

- a hedged item (e.g. a loan);
- a risk (e.g. interest rate risk);
- a hedging instrument (e.g. a swap or a cap).

There are three different types of hedges, which are each subject to different accounting rules:

- fair value hedge
- cash flow hedge
- hedge of a net investment in a foreign operation.

A hedging relationship qualifies for hedge accounting only if there is formal designation and documentation of the hedging relationship (strategy for undertaking the hedge, designation of the hedged risk, the hedged item and the hedging instrument, description of the hedge effectiveness). Hedge effectiveness is assessed when the hedge is set up and at each reporting date while it remains in place.

The CNP Assurances Group only uses cash flow hedges, primarily to hedge foreign exchange risks.

### *Cash flow hedges*

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial assets or liabilities, firm commitments or highly probable future transactions. Cash flow hedges are notably used to hedge the risk of variability in future cash flows from assets and liabilities denominated in foreign currencies.

The effective portion of the change in the fair value of the hedging instrument is accumulated in the cash flow hedge reserve in equity and the ineffective portion is recognised in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

For all hedging instruments, the CNP Assurances Group documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. The effectiveness of the hedge is assessed at inception and over the life of the hedge by demonstrating the effectiveness of the hedging relationship both retrospectively and prospectively.

Cash flow hedge accounting consists of recognising the effective portion of changes in the fair value of the derivative in equity. The gain or loss on the ineffective portion of the hedge is immediately recognised in profit or loss. The cumulative gains or losses recognised in equity are recycled to the income statement over the period in which the hedged item impacts profit or loss. If the hedging instrument expires, is sold or no longer qualifies for hedge accounting, cumulative gains or losses recognised in equity are recycled to the income statement either immediately or as and when the transaction initially hedged is completed.

The fair values of derivatives designated as hedging instruments are as follows:

| *(In € millions)* | Cash flow hedge reserve at 31.06.2023 | | | | |
|---|---|---|---|---|---|
| | Notional amount | Change in cash flow hedge reserve during the period | Cash flow hedge reserve recycled through profit or loss during the period | Deconsolidated companies | Deferred taxes |
| Currency derivatives | 1,094.3 | (38.5) | 30.8 | - | 2.0 |
| Interest rate derivatives | - | - | (5.2) | - | - |
| **Total** | **1,094.3** | **(38.5)** | **25.6** | **-** | **2.0** |

| *(In € millions)* | Cash flow hedge reserve at 31.12.2022 | | | | |
|---|---|---|---|---|---|
| | Notional amount | Change in cash flow hedge reserve during the period | Cash flow hedge reserve recycled through profit or loss during the period | Deconsolidated companies | Deferred taxes |
| Currency derivatives | 1,125.1 | 103.3 | (65.6) | 0.0 | (9.9) |
| Interest rate derivatives | 0.0 | 75.1 | 0.0 | 0.0 | 0.0 |
| **Total** | **1,125.1** | **178.4** | **(65.6)** | **0.0** | **(9.9)** |

Two types of derivative hedging instruments are used by the Group and are included in the instruments designated as such by CNP Assurances.

a) Currency swaps

Derivatives designated as hedging instruments consist of two currency swaps hedging the impact of exchange rate fluctuations on:

- annual interest payments on two subordinated notes issues denominated in foreign currency (US dollars only);
- the issue-date and redemption-date nominal amounts of each of these issues.

The transactions concerned are as follows:

- the first is on US dollar-denominated subordinated notes issued in January 2016 and hedges interest payments on the notes through to 22 January 2029 against fluctuations in the dollar-euro exchange rate;
- the second is on US dollar-denominated subordinated notes issued on 7 April 2021 and hedges payments on the notes through to 7 April 2031 against fluctuations in the dollar-euro exchange rate.

These derivatives are eligible for cash flow hedge accounting, as described above. No amount was observed or recognised in profit or loss for any ineffective portion of the hedges at 30 June 2023 or 31 December 2022. Basis spread differences in hedging relationships are calculated regularly and are not considered to be material.

b) Purchased currency or interest rate options

At 30 June 2023, the Group no longer held any purchased currency or interest rate options qualifying for hedge accounting.

c) Interest rate swaps

Interest rate swaps are derivative contracts through which interest rates are swapped in order to reduce the volatility of interest payments on long-term debt. The transaction concerned is a long-term borrowing subscribed in 2022 and hedges interest payments through to 30 September 2032 against fluctuations in the interest rate.

## 7.8 Sovereign debt exposure by geographic region

### 7.8.1 *Sovereign debt exposure by geographic region at 30 June 2023*

| *(In € millions)* | Financial assets at fair value through OCI | Financial assets at amortised cost (excluding loans and receivables) | Assets at fair value through profit or loss | Total direct exposure[1] | Borrowed securities | Total direct and indirect exposure[2] | Exposure in % |
|---|---|---|---|---|---|---|---|
| France (incl. overseas departments | 61,362.3 | 293.1 | 3,062.6 | **64,718.2** | 1,129.7 | **65,847.9** | 47.3% |
| Brazil | 2,674.5 | 111.3 | 22,061.5 | **24,847.3** | - | **24,847.3** | 17.9% |
| Italy | 13,045.7 | 30.1 | 399.2 | **13,474.9** | 373.2 | **13,848.1** | 10.0% |
| Spain | 9,743.0 | 34.9 | 89.2 | **9,867.1** | - | **9,867.1** | 7.1% |
| Belgium | 5,386.7 | 128.1 | 244.1 | **5,759.0** | 1,428.3 | **7,187.3** | 5.2% |
| Germany | 4,418.3 | 124.0 | 535.5 | **5,077.8** | - | **5,077.8** | 3.7% |
| Austria | 673.8 | - | 74.4 | **748.1** | 577.9 | **1,326.0** | 1.0% |
| Portugal | 719.3 | 20.4 | 76.8 | **816.6** | - | **816.6** | 0.6% |
| Canada | 428.5 | - | 0.8 | **429.3** | - | **429.3** | 0.3% |
| Poland | 81.2 | - | 208.9 | **290.2** | - | **290.2** | 0.2% |
| Netherlands | 214.9 | - | 22.7 | **237.6** | - | **237.6** | 0.2% |
| Romania | - | - | 1.3 | **1.3** | 209.1 | **210.4** | 0.2% |
| Mexico | 129.2 | 10.1 | 0.3 | **139.6** | - | **139.6** | 0.1% |
| Cyprus | 128.3 | - | 0.6 | **128.9** | - | **128.9** | 0.1% |
| Ireland | 117.1 | - | 5.2 | **122.3** | - | **122.3** | 0.1% |
| Greece | 100.8 | - | 1.0 | **101.8** | - | **101.8** | 0.1% |
| United Kingdom | - | 9.5 | 0.4 | **9.9** | - | **9.9** | 0.0% |
| Other | 7,173.0 | 324.6 | 1,083.3 | **8,580.8** | - | **8,580.8** | 6.2% |
| **TOTAL SOVEREIGN DEBT** | **106,396.6** | **1,086.1** | **27,867.8** | **135,350.7** | **3,718.1** | **139,068.8** | **100.0%** |

(1) Direct exposures: fair value or gross carrying amount of exposures.

(2) Direct and indirect exposures: direct exposures plus indirect exposures arising from securities borrowing transactions, forward purchases and off-balance sheet positions.

Sovereign debt includes bonds issued by public bodies guaranteed by the State or owned by the State.

At 30 June 2023, the CNP Assurances Group's total direct exposure to sovereign debt, determined at fair value, was €135.4 billion, of which 79% concerned assets at fair value through OCI. The Group's exposure is calculated based on asset values and before non-controlling interests.

Including borrowed securities under reverse repurchase agreements, the total exposure amounted to €139.1 billion.

No sovereign debt securities have been impaired in the absence of an incurred loss.

### 7.8.2 *Sovereign debt exposure by geographic region at 31 December 2022*

| *(In € millions)* | Financial assets at fair value through OCI | Financial assets at amortised cost (excluding loans and receivables) | Assets at fair value through profit or loss | Total direct exposure[1] | Borrowed securities | Total direct and indirect exposure[2] | Exposure in % |
|---|---|---|---|---|---|---|---|
| France (incl. overseas | 63,702.9 | - | 3,789.2 | **67,498.4** | 1,147.8 | **68,646.1** | 50.2% |
| Brazil | 2,723.2 | 86.2 | 19,314.8 | **22,124.2** | - | **22,124.2** | 16.2% |
| Italy | 13,074.5 | - | 402.7 | **13,477.2** | - | **13,477.2** | 9.8% |
| Spain | 9,438.7 | - | 92.6 | **9,531.3** | - | **9,531.3** | 7.0% |
| Belgium | 5,203.3 | - | 246.2 | **5,449.4** | 1,449.3 | **6,898.7** | 5.0% |
| Germany | 4,360.2 | - | 426.7 | **4,786.9** | - | **4,786.9** | 3.5% |
| Portugal | 659.0 | - | 75.4 | **734.4** | 594.5 | **1,328.8** | 1.0% |
| Austria | 779.7 | - | 49.5 | **829.2** | - | **829.2** | 0.6% |
| Canada | 423.0 | - | 0.9 | **423.8** | - | **423.8** | 0.3% |
| Ireland | 69.2 | - | 11.2 | **80.4** | 182.7 | **263.1** | 0.2% |
| Poland | 214.9 | - | 23.2 | **238.1** | - | **238.1** | 0.2% |
| United Kingdom | - | - | 1.5 | **1.5** | 582.2 | **583.6** | 0.4% |
| Luxembourg | 67.7 | - | 26.5 | **94.1** | - | **94.1** | 0.1% |
| Romania | 124.2 | - | 0.7 | **124.9** | - | **124.9** | 0.1% |
| Netherlands | 122.9 | - | 80.2 | **203.2** | - | **203.2** | 0.1% |
| Mexico | 101.0 | - | 1.2 | **102.2** | - | **102.2** | 0.1% |
| Greece | - | 7.0 | 0.4 | **7.4** | - | **7.4** | 0.0% |
| Other | 6,173.4 | - | 1,015.5 | **7,188.8** | - | **7,188.8** | 5.3% |
| | | | | | | | 0.0% |
| **TOTAL SOVEREIGN DEBT** | **107,237.7** | **93.2** | **25,558.3** | **132,895.4** | **3,956.4** | **136,851.8** | **100.0%** |

Sovereign debt includes bonds issued by public bodies guaranteed by the State or owned by the State.

## 7.9 Foreign currency balances

The individual entities within the CNP Assurances Group translate foreign currency transactions into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, the last available exchange rate for the month preceding the transaction date is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

At each reporting date, monetary balance sheet items (excluding available-for-sale financial assets) are translated using the closing rate, and the resulting exchange differences are recognised in profit or loss unless hedge accounting is used as described in Note 7.7 above.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, e.g., when a non-monetary asset is classified as available-for-sale, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit or loss, the translation difference is also recognised in profit or loss.

Unhedged monetary assets and liabilities denominated in foreign currency (i.e., in currencies other than the functional currencies of Group entities) represented less than 0.5% of consolidated assets and liabilities in first-half 2023, as in 2022.

# Note 8 Insurance and reinsurance contract assets and liabilities

## 8.1 Accounting policies applied to insurance and reinsurance contracts in accordance with IFRS 17

### *8.1.1 Insurance contracts*

IFRS 17 – Insurance Contracts was published on 18 May 2017, with an amended version published on 25 June 2020. It was adopted by the European Union (EU) on 19 November 2021.

The standard describes the principles for the recognition, measurement and presentation of insurance contracts that fall within its scope. It is applicable in accounting periods beginning on or after 1 January 2023, with comparative information to be presented for 2022.

IFRS 17 applies to:

(i) written insurance and reinsurance contracts;
(ii) all reinsurance contracts giving rise to a significant insurance risk;
(iii) investment contracts with a discretionary participation feature.

The new standard requires the insurance component of each contract to be recognised separately from the other components, such as:

(i) certain embedded derivatives;
(ii) separate investment components;
(iii) other performance obligations, for example a promise to transfer non-insurance goods or services.

These components are recognised and measured separately in accordance with the standard that would apply to them if they were separate contracts.

Insurance contracts written by CNP Assurances that are recognised and measured in accordance with IFRS 17 include:

1) insurance contracts that transfer a significant risk to the insurer. Examples include personal risk contracts, pension contracts, property and casualty contracts and unit-linked savings contracts with a guaranteed element;
2) investment contracts with DPF, comprising both traditional savings contracts with DPF and unit-linked contracts that include a traditional savings component with DPF.

Investment contracts without DPF are recognised and measured in accordance with IFRS 9. This category corresponds to unit-linked savings contracts that do not have any traditional savings component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts or investment contracts without DPF fall within the scope of:

- IFRS 15, when they correspond to the provision of services; or
- IAS 19, for contracts taken out in connection with benefit plans in favour of CNP Assurances Group employees.

### *8.1.2 Aggregation of groups of insurance contracts*

Under IFRS 17, insurance liabilities are measured at a more granular level by group of contracts, as follows:

- The first step consists of defining a portfolio of contracts constituting a group of contracts managed together, covering the same risks and with the same or similar margins.
- Each portfolio is divided into three accounting groups when the contracts are initially recognised, for the calculation and tracking of the contractual service margin (CSM).

In accordance with IFRS 17.16, portfolios of insurance contracts are divided into the following three profitability groups:

1. groups of contracts that are onerous at initial recognition;

2. groups of contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
3. groups of contracts that at initial recognition have a significant possibility of becoming onerous subsequently.

The standard does not specify the order in which these criteria should be applied when creating groups of contracts.

Contracts are assigned to a group and accounting model upon initial recognition. They may not be subsequently transferred to another group or accounting model, except when the contract terms are modified within the meaning of IFRS 17.72.

If the group of contracts is expected to generate a loss (onerous contracts), the loss is recognised immediately in profit or loss when the contracts are written and the loss component is monitored in the management accounts until the contract is derecognised or becomes profitable.

An insurance contract is derecognised when:

(i) the contract is extinguished, i.e., when the insurer's obligation expires, is discharged or is cancelled; or
(ii) changes to the contract result in its derecognition, i.e., when the terms of an insurance contract are modified and this change results in derecognition of the original contract and recognition of a new modified contract.

### *8.1.3 Contract boundaries and Best Estimate (BE)*

IFRS 17 provides that the measurement of a group of insurance contracts includes all future cash flows within the scope of each contract in the group. Future cash flows may be estimated at a higher level of aggregation and then allocated to groups of individual contracts.

Estimates of future cash flows incorporate unbiased estimates of all reasonable and supportable information available on the amount, timing and certainty of future cash flows.

They include the expected value (i.e., the probability-weighted average) of all possible outcomes.

Estimates of future cash flows:

(a) objectively incorporate all reasonable and supportable information that can be obtained without undue cost or effort about the amount, timing and certainty of future cash flows, including estimated mathematical expectations (i.e., the probability-weighted average) of the full range of possible outcomes;
(b) reflect CNP Assurances' views, provided that estimates of the relevant market variables are consistent with observable market prices for those variables;
(c) are up to date – estimates should reflect the conditions existing at the measurement date, including assumptions about the future at that date;
(d) are explicit.

The economic assessment should be based on the average of numerous economic trajectories. To ensure that the estimates are relevant, account is taken of management action and action by CNP Assurances' partners, including in market conditions far removed from the current situation.

### *8.1.4 Use of the European carve-out on annual cohorts*

When IFRS 17 was adopted on 19 November 2021, the European Union decided to include an optional exemption from the annual cohort requirement in IFRS 17.22. CNP Assurances has opted to use this exemption in order to better reflect the economic reality of its insurance contracts by aggregating contracts issued more than one year apart within the same group.

Accordingly, the annual cohort requirement is not applied to groups of policies meeting the following criteria introduced by the European Union:

(a) groups of insurance contracts with direct participation features or groups of investment contracts with discretionary participation features, the cash flows of which affect or are affected by the cash flows of other contracts paid to policyholders.
(b) groups of insurance contracts which are managed over several generations and meet the conditions set out in Article 77c of Directive 2009/138/EC, for which the application of the equalisation adjustment has been approved by the supervisory authorities.

The main contracts concerned at CNP Assurances are:

- direct savings and pensions contracts accounted for using the VFA model;
- savings and pensions reinsurance contracts issued, which are generally qualified as investment contracts with a discretionary participation feature.

The exemption from the annual cohort requirement for contracts with intergenerational sharing of risks and netted cash flows will be re-examined by the European Union no later than 31 December 2027, taking into account the IASB's Post-Implementation Review of IFRS 17.

### 8.1.5 Measurement models for groups of contracts

#### The Building Block Approach (BBA) or General Model

This model applies by default to all contracts within the scope of the standard that are not accounted for using one of the other two models.

When an insurance or reinsurance contract is written, the liability is measured using the Building Block Approach (BBA), based on the following blocks:

(i) the discounted present value of future cash flows that relate directly to the fulfilment of the contractual obligations ("Best Estimate" – BE);
(ii) an adjustment for non-financial risks, to take account of the uncertainty concerning the amount and timing of future cash flows ("Risk Adjustment" – RA);
(iii) a contractual service margin (CSM).

The CSM represents the unearned profit of the group of insurance contracts that will be recognise as services are provided in the future. It is included on the liabilities side of the balance sheet and released to profit over the life of the contracts as the services are provided. If a loss is expected, it is recognised immediately in profit or loss and not as a negative contractual service margin.

#### Variable Fee Approach (VFA)

This method, adapted from the BBA model, is mandatory for direct participating contracts. This is CNP Assurances' most commonly used model as it is particularly well suited to traditional and unit-linked direct participating savings and pension contracts, which represent around 95% of the business.

The VFA model is applicable to insurance contracts with direct participation features that contain the following conditions:

(a) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
(b) the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value of returns from the underlying items;
(c) a substantial proportion of the cash flows the entity expects to pay to the policyholder are expected to vary in line with changes in the fair value of the underlying items.

IFRS 17 specifies that all references to "insurance contracts" also apply to all contracts within its scope, and therefore to investment contracts with discretionary participation features.

However, IFRS 17.B109 specifies that reinsurance contracts (issued or held) cannot be qualified as direct participating insurance contracts, which rules out the use of the VFA model for reinsurance.

### *Premium Allocation Approach (PAA):*

The Premium Allocation Approach (PAA), whereby premiums are allocated over the life of the contracts, is a simplification of the general model. Its application is optional. For the purpose of applying the PPA, the initial liability corresponds to the premiums received at initial recognition The liability is then adjusted for:

- liabilities recorded in respect of incurred claims, in the same way as for the BBA or VFA models, and
- the outstanding cover.

No CSM is calculated. Acquisition cash flows may be deferred in assets or recognised as an expense.

The standard specifies that the PAA model can be used:

(a) as long as it provides an approximation of the liabilities' value when the contracts in the group are written that is not materially different from that obtained using the general model (paragraph 54 of the standard specifies the cases in which this condition cannot be verified); or

(b) for contracts where the period of cover (including cover in respect of premiums included in the contract boundary) is less than or equal to one year.

In accordance with paragraph 69 of IFRS 17, this accounting model may also be applied to reinsurance treaties issued or held subject to compliance with the same criteria.

The table below summarises the CNP Assurances Group's main product families and the measurement model applied:

| Measurement model | Product family | Sub-category | Description |
|---|---|---|---|
| | | **Pure savings** | *"Direct participating contracts: justification":* The underlying assets are identified and a substantial proportion of the yield is redistributed. |
| **VFA** | **Individual savings and pensions** | **Individual pensions (deferred annuity contracts)** | *"Direct participating contracts: justification":* The underlying assets are identified and a substantial proportion of the yield is redistributed.<br>In addition, some of the contracts also offer a share of the investment yield when the pensions are in payment.<br>For contracts that do not offer a share of the investment yield when the pensions are in payment (and, self-evidently, for those that do), a substantial proportion of the annuities paid during the payment phase depends on the investment yield generated during the capital accumulation phase. |
| | | **Individual pensions (immediate annuity contracts)** | *"Direct participating contracts: justification":* The underlying assets are identified and a substantial proportion of the yield is redistributed.<br>The contracts offer a share of the investment yield when the pensions are in payment. |
| **VFA** | | **Group savings/pensions (excluding "Article L441" plans)** | *"Direct participating contracts: justification":* The underlying assets are identified and a substantial proportion of the yield is redistributed.<br>In addition, most of the contracts analysed also offer a share of the investment yield when the pensions are in payment<br>For contracts that do not offer a share of the investment yield when the pensions are in payment (and, self-evidently, for those that do), a substantial proportion of the annuities paid during the payment phase depends on the investment yield generated during the capital accumulation phase. |

| | | | |
|---|---|---|---|
| | **Group pensions** | **"Article L.441" group policies** | *"Direct participating contracts: justification :* The underlying assets are identified and a substantial proportion of the yield is redistributed.<br>For these products, the level of benefits depends on the increase in the value of the "pension point", which in turn depends on the coverage of benefit obligations by plan assets. The increase in the value of the "pension point" depends in particular on the investment yield (notably the amount paid out in policyholder dividends). |
| **BBA** | **Individual and group death/disability contracts** | **Not applicable** | These products are not intended to provide a financial service to policyholders. |
| | **Term creditor insurance** | **Not applicable** | |

### *8.1.6 Risk adjustment for non-financial risk (RA)*

IFRS 17 defines the Risk Adjustment (RA) as the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risks as the entity fulfils insurance contracts. Consequently, the value of the RA in the balance sheet provides information not only about the degree of uncertainty of future cash flows, but also about the entity's level of risk aversion.

The RA corresponds to the compensation that it would be reasonable for the insurer to pay to be relieved of the non-financial risk. Its purpose is to measure the effect of uncertainty linked to non-financial risks on the amount and timing of future cash flows.

### *8.1.7 Coverage units*

The total number of coverage units for a group of contracts corresponds to the quantity of services provided by the contracts in the group over the planned period of cover. Coverage units are determined prospectively at the end of each reporting period, taking into account:

(a) the quantity of services provided under the group of contracts;
(b) the expected coverage period of the group of contracts; and
(c) the probability of insured events occurring, only to the extent that they affect the expected period of cover of the group of contracts.

Once the coverage unit has been determined, it is used to allocate income and expenses to each reporting period. Revenues are recognised in each period as the covered insurance services are provided, while expenses are recognised on the basis of the expected costs associated with the cover.

For each group of contracts measured using the VFA or BBA model, for which the CSM is positive over several periods, at the end of a reporting period, the estimated CSM on the insurance services provided during the reporting period in respect of the group of insurance contracts is released to profit.

To determine this amount, CNP Assurances:

(a) defines the number of coverage units for the group of contracts, corresponding to the volume of insurance services to be provided under the contracts, as determined based on the volume of services provided under each contract and the planned period of cover;
(b) allocates the period-end CSM (before recognition in profit of the margin earned on the insurance services provided under the group of contracts during the reporting period) equally among the coverage units

represented by insurance services provided during the reporting period and expected to be provided in the future;

(c) releases to profit the amount allocated to the coverage units represented by insurance services provided during the reporting period.

By way of example, the following coverage units are used for the main types of contract:

- Savings: mathematical provisions
- Pensions: mathematical provisions
- Term Creditor Insurance: outstanding principal
- Individual death & disability insurance:
  - funeral insurance: insured amount
  - long-term care insurance: insured amount for home improvements
- Group Death/Disability Insurance: these are annual contracts and the total CSM is therefore recognised in profit in the reporting year.

For Savings and Pensions contracts measured using the VFA model, in order to ensure that coverage units are correctly allocated to each financial year, the CSM released to profit in each period is adjusted based on actual results for the period. The main purpose of this adjustment is to provide a better understanding of the economic effects not considered in the initial CSM measurement by taking into account all the services rendered (asset management and performance). It is made for each Savings/Pensions portfolio measured according to the VFA model that is profitable at the balance sheet date, using a long-term approach that takes into account a risk premium and the cost of options and guarantees.

### 8.1.8 Variable Fee Approach (VFA)

As mentioned above, the variable fee approach (VFA) is one of the three approaches to valuing groups of insurance contracts under IFRS 17.

The VFA model is applied to contracts with a contractual participation feature where:

(i) the policyholder participates in a share of a clearly identified pool of underlying items;

(ii) CNP Assurances expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

(iii) CNP Assurances 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.

Application of the VFA is compulsory for all direct participating contracts, such as contracts with segregated funds and variable capital contracts. CNP Assurances also uses this approach for insurance contracts with investment components.

Under the conditions set out in IFRS 17.B101, insurance contracts with direct participation features are contracts under which CNP Assurances' obligation to the policyholder corresponds to the net difference between:

(a) the obligation to pay the policyholder an amount that is equal to the fair value of the underlying items, and

(b) a variable fee for service, corresponding to the insurer's share of the fair value of the underlying items, less the fulfilment cash flows that do not vary based on the returns on underlying items.

### 8.1.9 Discount rates

IFRS 17 requires the time value of money and the financial risks associated with future cash flows to be taken into account when estimating future cash flows, to the extent that the financial risks are not included in the estimates of these flows.

The discount rates applied to estimates of future cash flows are determined in accordance with the guidelines in the standard.

The discount curves used by CNP Assurances may vary depending on the market. They are generally based on observed market rates using the risk-free yield curve, to which a risk premium specific to the portfolios concerned is added.

The discount curves may differ from those used for other actuarial modelling purposes, such as insurance contract pricing or risk management.

This section covers all the currencies to which CNP Assurances subsidiaries are exposed but focuses mainly on yield curve assumptions for the euro, which is the functional currency of the majority of Group entities and the CNP Assurances Group's presentation currency.

Under IFRS 17, the yield curve may be constructed using either a bottom-up approach or a top-down approach.

### *Bottom-up approach*

Under the bottom-up approach, the yield curve is determined as the sum of two components: a market risk-free rate and a liquidity premium.

### *Top-down approach*

Under the top-down approach, the yield curve is determined based on the yield implicit in the fair value of a reference portfolio, less a risk premium that takes account of factors not linked to the measurement of the insurance contracts.

CNP Assurances has chosen to apply the bottom-up approach to determining discount curves because it is easier to apply based on existing processes. The approach adopted by CNP Assurances is based on the method of determining the risk-free yield curve suggested by the European Insurance and Occupational Pensions Authority (EIOPA) for inclusion in the future changes to Solvency II.

CNP Assurances' risk-free yield curves are obtained using the following processes:

1. selection of reference data to obtain a yield curve;
2. adjustment for credit risk to obtain a risk-free yield curve;
3. interpolation/extrapolation of data to obtain a liquid yield curve up to the Ultimate Forward Rate (UFR), corresponding to the rate at which forward rates are assumed to converge beyond the period covered by observable market rates.

Extrapolation enables insurance contracts to be measured over their entire term.

### *Liquidity premium*

The bottom-up approach requires discount rates to be adjusted to reflect the liquidity characteristics of insurance contracts. The liquidity premium is the adjustment resulting from differences between the liquidity characteristics of the group of insurance contracts and the liquidity of the assets used to establish the yield curve. It is applied to the risk-free yield curve, which is deemed to be liquid. The method used to determine this premium is presented in Note 8.2.1.

### *Effect of the time value of money*

The effect of the time value of money corresponds to the increase in interest on:

(i) all future cash flows;
(ii) the risk adjustment for non-financial risk (RA); and
(iii) the contractual service margin (CSM)

The time value of money corresponds to the increase in the carrying amount of the group of insurance contracts issued and is a component of the finance expense from the contracts.

### *Discount curve*

Two types of discount curve are used depending on the nature of the cash flows to be discounted, the accounting method and the affected financial indicators:

- the current discount curve: determined using market information at the measurement date (market-consistent); or
- the discount curve at inception: determined on the basis of historical data to obtain a measurement of liabilities at the inception date, corresponding to the date of initial recognition of the group of insurance contracts.

The yield curves used to discount estimated future cash flows that do not vary according to the yields of the underlying assets are presented in the tables below:

**Discount curve at 30 June 2023:**

| Entity | Currency | 1 year | 5 years | 10 years | 20 years | 30 years |
|---|---|---|---|---|---|---|
| CNP SA | EUR | 4.9% | 4.1% | 3.9% | 3.7% | 3.5% |
| LBPA | EUR | 4.1% | 3.3% | 3.2% | 3.1% | 3.0% |
| Subsidiaries, Europe excluding France | EUR | [3.9%-4.3%] | [3.0%-3.6%] | [3.0%-3.5%] | [2.8%-3.4%] | [2.7%-3.2%] |
| Brazil | BRL | [12.8%-13.2%] | [11.6%-12.0%] | [12.3%-12.7%] | [11.3%-11.6%] | [9.9%-10.1%] |

**Discount curve at 31 December 2022:**

| Entity | Currency | 1 year | 5 years | 10 years | 20 years | 30 years |
|---|---|---|---|---|---|---|
| CNP SA | EUR | 4.1% | 4.0% | 4.0% | 3.7% | 3.4% |
| LBPA | EUR | 3.5% | 3.5% | 3.4% | 3.1% | 2.9% |
| Subsidiaries, Europe excluding France | EUR | [3.3%-4.0%] | [3.2%-3.9%] | [3.2%-3.8%] | [2.9%-3.5%] | [2.7%-3.2%] |
| Brazil | BRL | [13.6%-14.7%] | [13.1%-14.2%] | [13.3%-14.4%] | [11.8%-12.7%] | [10.2%-10.9%] |

### *Discounting and accretion of the CSM*

In accordance with the General Model (BBA), interest is accreted on the carrying amount of the CSM using fixed discount rates determined on initial recognition of the group of insurance contracts. At each balance sheet date, the CSM is measured as the opening CSM adjusted for the accretion determined using the discount rate at inception.

Discounting and accretion of the CSM are not reported separately under the VFA model, but are captured indirectly by movements in the underlying items and fulfilment cash flows.

### *8.1.10 Recognition in other comprehensive income of changes in the fair value of the underlying assets of the insurance contracts*

Under IFRS 17, in certain circumstances, changes in the value of insurance liabilities may be recognised directly in equity through other comprehensive income (OCI), rather than through profit or loss. This option mainly concerns the effect of changes in the discount rate applied to insurance liabilities. CNP Assurances applies this option by mirroring the recognition in other comprehensive income of gains and losses on the underlying assets representing insurance obligations.

This option is available for insurance contracts that meet certain conditions, in particular with regard to the way in which the assets are managed and the obligations are valued. Election to apply the OCI option must be made consistently for all contracts in the same IFRS 17 portfolio. For participating contracts, the option applies to contracts meeting certain conditions, in particular concerning the intended holding period of the underlying assets.

Application of the OCI option reduces the volatility of investment income linked to fluctuations in the market value of assets. This is particularly useful for long-term insurance contracts that are exposed to market risks. In particular, the recognition in OCI of the effect of changes in interest rates on insurance liabilities reduces the sensitivity of the insurance service result to the volatility resulting from the measurement of liabilities at the current rate for each period.

### *8.1.11 Risk mitigation measures*

In accordance with IFRS 17.B115 on risk mitigation, to the extent that the required conditions are met, CNP Assurances has chosen not to recognise a change in the contractual service margin to reflect some or all of the changes in the effect of the time value of money and financial risk on the amount of CNP Assurances’ share of the underlying items:

a) if it mitigates the effect of financial risk on that amount using derivatives or reinsurance contracts held; and the fulfilment cash flows set out in IFRS 17.B113;
b) if it mitigates the effect of financial risk on those fulfilment cash flows using derivatives, non-derivative financial instruments measured at fair value through profit or loss, or reinsurance contracts held.

These provisions are applied by adjusting the CSM on direct insurance contracts for the difference between the CSM adjustment on reinsurance contracts held, as calculated using the VFA model and the BBA model.

This application of IFRS 17.B115 fulfils the objective of eliminating differences resulting from the use of different measurement models for reinsurance contracts held and underlying items, primarily for reinsurance contracts measured using the VFA model. In addition, it highlights the risk mitigation effect.

### *8.1.12 Use of the premium allocation approach (PAA)*

As explained above, the premium allocation approach (PAA) is an optional alternative method of accounting for insurance revenue under IFRS 17, which may be used in the specific circumstances defined in IFRS 17.53 to 59.

The premium allocation approach consists of allocating collected premiums over the life of the insurance contract to reflect CNP Assurances' contractual obligations. It is based on the assumption that the premium received comprises a risk component (the technical provision) and a service component (the service margin). The service component is then recognised as revenue over the life of the contract, using an appropriate Earned Premium Method.

The PAA model is mainly used for short-term insurance contracts.

### 8.1.13 Intra-group margin

CNP Assurances SA distributes and manages insurance contracts on behalf of its subsidiaries. This activity generates distribution and management costs which are included in the income statement of the Group's parent company.

For their part, the insurance subsidiaries pay insurance contract distribution and management fees to CNP Assurances SA. These fees include a mark-up charged by CNP Assurances SA to its subsidiaries.

Under IFRS 17, the Best Estimate (i.e. the insurance company's estimated obligation to policyholders) incorporates all the costs attributable to insurance activities, including the costs of distributing and managing the insurance contracts. The insurance subsidiaries' Best Estimates include the insurance contract distribution and management fees, with the mark-up.

However, at the level of the CNP Assurances Group, the mark-up is not included in the Best Estimate, as it represents a profit and not a cost, and it is therefore included in the CSM (i.e. future profits).

As a result, the sum of the insurance subsidiaries' CSMs is different to their contribution to the Group CSM. The difference corresponds to the intra-group margin, which is restated to show the correct level of CSM at CNP Assurances Group level.

The restatement consists mainly of estimating the margin (in the balance sheet and the income statement) using an estimated cost/income ratio.

### 8.1.14 Reinsurance contracts

This section describes the specific features of the measurement models applied by CNP Assurances to reinsurance treaties held and issued in accordance with IFRS 17.

#### Modifications to the BBA and PAA models

The changes introduced by IFRS 17 for reinsurance treaties only concern treaties held by one entity, the ceding insurer. CNP Assurances also applies the PAA model where the eligibility criteria are met and the BBA model for reinsurance treaties issued (inward reinsurance treaties).

#### Measurement models excluding VFA

IFRS 17.B109 stipulates that reinsurance treaties issued and reinsurance treaties held cannot be direct participating contracts. As a result, the only possible measurement models for reinsurance treaties are the BBA and the PAA. All reinsurance treaties related to CNP Assurances' activities in France are measured using the BBA model.

#### Contract boundaries

The reinsurer has a substantive obligation to provide insurance coverage or other services to the ceding insurer. The substantive obligation ends when:

(i) the reinsurer has the practical ability to reprice the risks transferred by the ceding insurer or change the level of cover so that the price fully reflects those risks; or

(ii) the reinsurer has the right to terminate the cover. The ceding insurer has a substantive obligation to pay the premiums due to the reinsurer.

The CNP Assurances Group's BE, RA and CSM calculations take into account the effect of reinsurance on underlying contracts not yet recognised by the ceding insurer, including any contracts issued prior to the reinsurance treaty covering them.

Cash flows within the contract boundary for reinsurance contracts held result from CNP Assurances' substantive rights or obligations as the ceding insurer.

Application of the contract boundary provisions to reinsurance contracts held implies that cash flows are included in 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 insurer is obliged to pay amounts to the reinsurer or in which the ceding insurer has a substantive right to receive services from the reinsurer. The substantive right to receive services from the reinsurer ends when the reinsurer has the practical ability to reassess the risks transferred to it and set a price accordingly, or the reinsurer has a substantive right to terminate the reinsurance contract.

When the boundary of the reinsurance treaties held is such that account is taken of the treaties' effect on underlying contracts that have not yet been recognised for their amount before reinsurance, CNP Assurances' position is to capture the reinsurance treaties' effect on future generations by applying a multiplier to the most recent contract generation based on estimated future underwriting volumes derived from business plan projections.

#### *Contract recognition date*

Reinsurance contracts are designed to cover claims incurred under underlying contracts written during a specified period. In some cases, the reinsurance contract covers the losses on individual contracts on a proportionate basis, and in other cases it covers the aggregate losses on a group of underlying contracts that exceed a specified amount. Application of the IASB's definition of proportionate coverage means that only a limited number of quota-share reinsurance treaties are covered by this term.

However, given the positions expressed in particular by EFRAG and the CFO Forum, CNP Assurances' position is to consider that the term proportionate coverage encompasses all proportionate reinsurance treaties, including all quota-share treaties (whether treaties are by loss year or by underwriting year, with or without a deductible/cap) and excess-of-loss treaties, corresponding to the type of coverage used by certain CNP Assurances subsidiaries.

#### *Accounting treatment*

IFRS 17 requires reinsurance treaties held to be accounted for by the ceding insurer separately from the underlying contract(s) to which they relate, without any impact on the amount of its obligation to the underlying policyholder(s). This is because the fact of reinsuring the underlying contract(s) does not relieve the ceding insurer of its contractual obligations to the underlying policyholder(s).

CNP Assurances divides its portfolios of reinsurance treaties held by applying IFRS 17.14-24, but considers that any reference to onerous contracts in these paragraphs of the standard refers in fact to treaties giving rise to a net profit at the time of initial recognition.

For certain reinsurance treaties held, application of IFRS 17.14-24 results in the constitution of a group of contracts made up of a single treaty.

#### *Definition of portfolios of reinsurance issued*

IFRS 17 does not define a specific rule for constituting groups of reinsurance treaties issued. CNP Assurances' position is not to create IFRS 17 portfolios specifically for inward reinsurance.

#### *Definition of portfolios of reinsurance held*

Concerning reinsurance treaties held (proportionate and non-proportionate treaties), CNP Assurances' position is to align the portfolio definition with the definition of direct insurance portfolios. This is because the contracts concerned are quota-share treaties and the risks within a portfolio are automatically similar in terms of ceded commitments if they are deemed to be similar to direct insurance portfolios. Finally, the grouping of several reinsurance treaties in the same portfolio enables CNP Assurances to consider that they are managed together in the sense that the common objective is to mitigate the risks on a portfolio of underlying contracts that in turn are managed together.

## 8.2 Main assumptions and estimates used

### *8.2.1 Liquidity premium*

Under the bottom-up approach applied by CNP Assurances to defining the discount rates used in the measurement models, the rates reflect the liquidity characteristics of the insurance contracts. An adjustment or liquidity premium is applied to take account of differences between the liquidity characteristics of the group of insurance contracts and those of the underlying assets used to select a yield curve. The CNP Assurances Group has established portfolios of financial instruments that serve as a benchmark for estimating the liquidity premium on insurance liabilities in line with the approach recommended by other regulators for estimating the Volatility Adjustment. The portfolios concerned correspond to the financial assets held by CNP Assurances, comprising both bonds and diversified assets. The liquidity premium for these portfolios is adjusted by applying ratios to take account of the contracts' characteristics and the matching of assets and liabilities.

The approach used to determine a liquidity premium for a bond portfolio is comparable to the method suggested by EIOPA as part of its review of Solvency II, in terms of both calibration (macro-economic nature of the default probabilities underlying the credit spreads) and portfolio comparisons. The liquidity premium on a bond portfolio is estimated using a model commonly used to determine the Volatility Adjustment.

CNP Assurances has chosen to include the following asset classes in its diversified portfolio:

- **Real Estate and Infrastructure**: these two asset classes are generally held as long-term investments, which explains their relatively high liquidity premium compared to other diversified asset classes.
- **Equities**: this class has been chosen, *inter alia*, because of the significant difference in volatility between the CNP portfolio and the market. Market volatility is not expected to have a material impact on the CNP Equities portfolio, because on average the portfolio's volatility is lower and more stable than that of the market, largely due to CNP Assurances' asset management policies.

### *8.2.2 Contract costs*

#### *Costs attributable to the contract*

IFRS 17 requires companies to identify the costs directly attributable to insurance contracts. These directly attributable costs, with the exception of non-recurring costs, are included in future cash flow projections and are essential to their determination.

#### *Non-attributable costs*

Costs that are not attributable to insurance contracts are not included in future cash flow projections and are therefore recognised in the income statement.

CNP Assurances' management accounting system distinguishes between two categories of costs:

- Direct costs, made up of fees and commission, rebates and claims management costs directly attributable to the contracts (medical fees, costs of finding the beneficiaries of unclaimed life insurance policies, etc.) as well as financial expenses (asset management fees, transaction costs).
- Indirect costs, corresponding to costs incurred by the company other than those that are directly attributable to an insurance contract (direct costs) or to investment activities (finance expenses).

Attributable costs include costs that are not directly attributable to a particular group of contracts but, like fixed and variable overheads, are allocated to groups of contracts using systematic and rational methods applied uniformly to all costs with similar characteristics.

The difference between expected attributable costs and actual costs observed during the previous financial year (with the exception of acquisition costs) is recognised as an experience adjustment.

#### *Determination of acquisition costs*

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method. The costs are amortised for each group of contracts. Acquisition costs recognised in the reporting period are calculated using metrics that are representative of the services rendered during the period (premiums, mathematical provisions, etc.).

#### *Cost models*

CNP Assurances' direct costs (fees and commissions, direct finance expenses, etc.) are calculated directly by applying the relevant model metrics (premiums, technical provisions, etc.).
Indirect costs are allocated to each activity and projected to determine future fulfilment cash flows.
These costs are allocated by group of contracts on the basis of unit costs applied to representative metrics (premiums, mathematical provisions, etc.). Unit costs are calibrated so that the sum of projected expenses in the first year for contracts in stock at the balance sheet date is equal to actual expenses for the year, after inflation.

### *8.2.3 Adjustment for non-financial risks (RA)*

To estimate the adjustment for non-financial risks, the CNP Assurances Group uses a fixed percentile common to all subsidiaries and identified risks. The RA is based on an ultimate confidence level of 80%. This level corresponds to the Group's best estimate of its exposure to non-financial risk in an accounting environment. It is also in line with the five-year projection period used for the business plan, corresponding to the implementation period of a strategy to limit the risk of its objectives not being achieved over the period, in other words using appropriate metrics to minimise business plan uncertainty.

The quantile is estimated using the Value at Risk (VaR) method, which consists of determining, for a given percentile, the expected loss on the insurer's commitments, assuming a known statistical distribution of risk factors.

### *8.2.4 Future premium renewals/flexible premiums*

The inclusion of premium renewals in the models depends on various factors, including the accounting method used for the insurance contracts, the premium measurement model and the underlying assumptions. CNP Assurances may consider that premiums may be renewed at each balance sheet date depending on the information and data available.

The most significant flexible premium assumptions taken into account in the models concern traditional and unit-linked savings contracts.

CNP Assurances ensures that its measurement methods comply with the requirements of IFRS 17, particularly with regard to the boundaries of insurance contracts, and that they are revised regularly to reflect the latest available information and data.

### *8.2.5 Experience adjustments*

Experience adjustments are recorded for the difference between prior-year estimates of future cash flows and the actual data that emerges over time.

Experience adjustments leading to a change in fulfilment cash flows that relate to future insurance services or are equivalent to an investment component have the effect of adjusting the CSM. Experience adjustments that relate to current or prior periods are recognised in profit or loss for the period.

### *8.2.6 Changes in accounting estimates and policies*

Measurement assumptions are determined by each entity on the basis of their best estimate at the measurement date. They stem from an analysis of current and past experience observed in each valued portfolio.

The table below sets out the main accounting treatments under IAS 8 applicable to the various types of changes in accounting estimates and policies, and corrections of prior period errors.

| | Change of accounting estimates | Change of accounting policy | Correction of prior period errors |
|---|---|---|---|
| **Definition** | Changes in financial statement amounts that involve measurement uncertainty, resulting from new information, new developments or additional experience. | Change of accounting principles, bases, conventions, rules or practices applied in the financial statements. | Previous omission or misstatement arising from a failure to use, or the misuse of, reliable information that was available and could reasonably be expected to have been obtained and taken into account. |
| **Accounting treatment** | Prospective application with recognition of the impact in profit or loss for the period. | Restatement of comparative information and adjustment of opening equity for the comparative period.<br>Disclosure in the notes to the financial statements. | Restatement of comparative information and adjustment of opening equity for the comparative period.<br>Disclosure in the notes to the financial statements. |

#### *8.2.6.1 Changes in accounting estimates*

IAS 8 clarifies the relationship between accounting policies and accounting estimates by specifying that accounting estimates are made for the purpose of achieving the objective set out by the accounting policy. The standard therefore defines accounting estimates as amounts recorded in the financial statements that involve measurement uncertainty.

**Application to the measurement of insurance contracts**

IFRS 17 defines the accounting policy for measuring insurance contracts as the sum of the following two amounts:
(a) fulfilment cash flows, comprising:
(i) estimates of future cash flows (IFRS 17.33-35)
(ii) an adjustment to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows (IFRS 17.36)
(iii) an adjustment for non-financial risk (RA) (IFRS 17.37)
(b) the contractual service margin, measured in accordance with IFRS 17.38-39.

CNP Assurances makes the accounting estimates required to establish the actuarial models used to measure insurance liabilities, and ensures the consistency of:

1. the measurement techniques used to determine the Best Estimate, discount future cash flows, estimate the RA (cost of capital or quantiles method, for example), select the coverage units used to release the CSM to profit or loss; and
2. the updated inputs used in the application of these measurement techniques:
- technical or non-economic assumptions (cancellations, mortality rates, flexible premiums, expenses, etc.),
- financial or economic assumptions based on financial market data (yield curves, stock market trends, reinvestment rates, etc.),
- other economic or regulatory data (taxes, tax rates, etc.);
3. changes in actuarial models for projecting future cash flows.

IFRS 17 stipulates that "estimates should reflect conditions existing at the measurement date, including assumptions at that date about the future". The use of current data is therefore mandatory and updates are naturally considered as a change of accounting estimate.

#### *8.2.6.2 Change of accounting policies*

IAS 8 defines accounting policies as the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting its financial statements.

An accounting policy may be changed only if the change:

(a) is required by an IFRS or interpretation; or

(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the financial position, financial performance or cash flows.

Under IFRS 17, a change from one accounting policy accepted by the standard to another accepted accounting policy would qualify as a change of policy provided that the new policy provides reliable and more relevant information, such as :

- application of IFRS 15 or IFRS 9 for contracts referred to in IFRS 17.8-8A instead of IFRS 17 (and vice versa);
- the change of a portfolio's measurement model to BBA from PAA, which is a simplification of the BBA model;
- the choice of recognising as expenses insurance acquisition cash flows for contracts measured using the PAA model, that were previously deferred as a deduction from the remaining insurance liability for the group of contracts (IFRS 17.28A, 59(b));
- an accounting policy choice to allocate insurance finance income or expense for the period between profit or loss and other comprehensive income, or in full to profit or loss, whereas no such choice was previously made (IFRS 17.88-89).
- an accounting policy choice to change the treatment of accounting estimates made in previous interim financial statements and annual financial statements, whereas no such change was previously made (IFRS 17.B137).

#### *8.2.6.3 Correction of prior period errors*

IAS 8 defines prior period errors as "*omissions from, and misstatements in, the financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:*

*(a) was available when financial statements for those periods were authorised for issue; and*

*(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.*"

### *8.2.7 Surrender assumptions reflecting the specific features of the Italian market*

The technical assumptions used to prepare the financial statements at 30 June 2023 include adjustment factors for 2023 that reflect observations during the first half in terms of expected surrender rates and new money flows for CNP Vita Assicura and CNP Vita Assicurazione, and the expectation that these rates and flows will return to previous levels at 1 January 2024.

## 8.3 Analysis by accounting component

### 8.3.1 *Insurance – BBA and VFA models*

| (In € millions) | 30.06.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total |
| **Opening balance – assets** | **(2,422.7)** | **354.5** | **725.3** | **(1,343.0)** | **(1,546.6)** | **82.7** | **208.3** | **(1,255.7)** |
| **Opening balance – liabilities** | **344,237.1** | **1,508.1** | **14,797.1** | **360,542.3** | **389,891.3** | **1,600.0** | **15,606.9** | **407,098.2** |
| **Opening net balance** | **341,814.4** | **1,862.6** | **15,522.4** | **359,199.3** | **388,344.7** | **1,682.7** | **15,815.2** | **405,842.6** |
| **Changes related to future services** | **(8,507.6)** | **129.0** | **8,403.8** | **25.2** | **(4,980.5)** | **508.7** | **4,571.6** | **99.8** |
| Changes in estimates resulting in an adjustment to the CSM | (7,604.6) | 87.4 | 7,542.7 | 25.6 | (3,402.2) | 283.2 | 3,107.7 | (11.4) |
| Changes in estimates resulting in losses and reversals on groups of onerous contracts | 50.6 | (55.0) | - | (4.4) | 40.7 | 48.5 | - | 89.3 |
| Effect of contracts recognised during the period | (953.6) | 96.5 | 861.1 | 4.0 | (1,619.0) | 177.0 | 1,463.9 | 21.9 |
| **Changes related to services rendered during the period** | **884.9** | **(122.6)** | **(1,144.8)** | **(382.5)** | **1,264.6** | **(194.4)** | **(2,278.5)** | **(1,208.4)** |
| CSM released to profit on insurance services provided during the period | - | - | (1,144.8) | (1,144.8) | - | - | (2,278.5) | (2,278.5) |
| Change in RA | - | (122.6) | - | (122.6) | - | (194.4) | - | (194.4) |
| Experience adjustments | 884.9 | - | - | 884.9 | 1,264.6 | - | - | 1,264.6 |
| **Changes related to past services** | **(1,055.1)** | **(22.7)** | **-** | **(1,077.8)** | **(1,079.8)** | **(36.4)** | **-** | **(1,116.1)** |
| Adjustments for incurred claims | (1,055.1) | (22.7) | - | (1,077.8) | (1,079.8) | (36.4) | - | (1,116.1) |
| **Insurance service result** | **(8,677.8)** | **(16.3)** | **7,259.0** | **(1,435.1)** | **(4,795.7)** | **277.9** | **2,293.1** | **(2,224.7)** |
| Finance income or expense from insurance contracts issued | 16,017.6 | 23.8 | (5,719.2) | 10,322.1 | (41,760.6) | (99.3) | (2,660.9) | (44,520.8) |
| Effect of exchange differences | 1,469.2 | 10.3 | 124.0 | 1,603.5 | 1,624.9 | 19.1 | 90.4 | 1,734.4 |
| **Total changes in profit or loss and other comprehensive income** | **8,809.0** | **17.7** | **1,663.8** | **10,490.5** | **(44,931.4)** | **197.7** | **(277.4)** | **(45,011.1)** |
| Cash flows | (2,349.5) | - | - | (2,349.5) | 584.6 | - | - | 584.6 |
| **Total cash flows** | **(2,349.5)** | **-** | **-** | **(2,349.5)** | **584.6** | **-** | **-** | **584.6** |
| Deferred acquisition costs - Allocation to insurance contracts | - | - | - | - | - | - | - | - |
| **Other movements** | **(13.5)** | **0.9** | **(2.4)** | **(15.0)** | **(2,183.4)** | **(17.8)** | **(15.5)** | **(2,216.7)** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | 0.0 | 0.0 | (0.0) | 0.0 |
| of which additions to and removals from the scope of consolidation and other consolidation effects | - | - | - | - | (2,055.5) | (7.4) | (27.2) | (2,090.1) |
| of which other changes (reclassification, change of method, etc.) | (13.5) | 0.9 | (2.4) | (15.0) | (127.9) | (10.4) | 11.7 | (126.6) |
| **Closing balance – assets** | **(2,667.0)** | **376.1** | **899.7** | **(1,391.2)** | **(2,422.7)** | **354.5** | **725.3** | **(1,343.0)** |
| **Closing balance – liabilities** | **350,927.4** | **1,505.1** | **16,284.0** | **368,716.4** | **344,237.1** | **1,508.1** | **14,797.1** | **360,542.3** |
| **Closing net balance** | **348,260.4** | **1,881.2** | **17,183.7** | **367,325.3** | **341,814.4** | **1,862.6** | **15,522.4** | **359,199.3** |

### 8.3.1.1 Insurance – BBA and VFA models France (including overseas departments and territories and Luxembourg)

| *(In € millions)* | 30.06.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total |
| **Opening balance – assets** | **(991.3)** | **274.9** | **495.4** | **(221.0)** | **(154.4)** | **1.2** | **8.9** | **(144.3)** |
| **Opening balance – liabilities** | **285,769.3** | **1,263.2** | **12,460.7** | **299,493.2** | **330,387.9** | **1,422.4** | **13,787.5** | **345,597.8** |
| **Opening net balance** | **284,778.0** | **1,538.1** | **12,956.0** | **299,272.2** | **330,233.5** | **1,423.6** | **13,796.4** | **345,453.5** |
| **Changes related to future services** | **(7,934.1)** | **120.7** | **7,828.2** | **14.8** | **(3,869.7)** | **391.0** | **3,564.7** | **86.0** |
| Changes in estimates resulting in an adjustment to the CSM | (7,461.8) | 81.9 | 7,381.8 | 1.8 | (3,380.5) | 214.6 | 3,159.5 | (6.4) |
| Changes in estimates resulting in losses and reversals on groups of onerous contracts | 50.4 | (37.4) | - | 12.9 | 27.7 | 48.7 | - | 76.4 |
| Effect of contracts recognised during the period | (522.6) | 76.3 | 446.4 | 0.0 | (517.0) | 127.7 | 405.2 | 16.0 |
| **Changes related to services rendered during the period** | **933.7** | **(87.1)** | **(847.7)** | **(1.1)** | **1,318.3** | **(126.7)** | **(1,679.7)** | **(488.0)** |
| CSM released to profit on insurance services provided during the period | - | - | (847.7) | (847.7) | - | - | (1,679.7) | (1,679.7) |
| Change in RA | - | (87.1) | - | (87.1) | - | (126.7) | - | (126.7) |
| Experience adjustments | 933.7 | - | - | 933.7 | 1,318.3 | - | - | 1,318.3 |
| **Changes related to past services** | **(1,063.3)** | **(17.0)** | **-** | **(1,080.4)** | **(1,078.2)** | **(30.6)** | **-** | **(1,108.8)** |
| Adjustments for incurred claims | (1,063.3) | (17.0) | - | (1,080.4) | (1,078.2) | (30.6) | - | (1,108.8) |
| **Insurance service result** | **(8,063.7)** | **16.6** | **6,980.5** | **(1,066.7)** | **(3,629.6)** | **233.8** | **1,885.0** | **(1,510.8)** |
| Finance income or expense from insurance contracts issued | 13,289.7 | 10.4 | (5,673.2) | 7,626.8 | (37,746.7) | (109.3) | (2,731.4) | (40,587.4) |
| Effect of exchange differences | (0.0) | - | - | (0.0) | 0.0 | - | - | 0.0 |
| **Total changes in profit or loss and other comprehensive income** | **5,226.0** | **26.9** | **1,307.2** | **6,560.1** | **(41,376.3)** | **124.4** | **(846.3)** | **(42,098.2)** |
| Cash flows | (1,763.1) | - | - | (1,763.1) | (4,135.8) | - | - | (4,135.8) |
| **Total cash flows** | **(1,763.1)** | **-** | **-** | **(1,763.1)** | **(4,135.8)** | **-** | **-** | **(4,135.8)** |
| Deferred acquisition costs - Allocation to insurance contracts | - | - | - | - | - | - | - | - |
| **Other movements** | **(28.1)** | **1.1** | **(2.2)** | **(29.3)** | **56.6** | **(9.9)** | **6.0** | **52.7** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | 0.0 | 0.0 | (0.0) | 0.0 |
| of which additions to and removals from the scope of consolidation and other consolidation | - | - | - | - | 61.6 | 0.0 | 1.3 | 63.0 |
| of which other changes (reclassification, change of method, etc.) | (28.1) | 1.1 | (2.2) | (29.3) | (5.1) | (9.9) | 4.6 | (10.3) |
| **Closing balance – assets** | **(1,041.8)** | **285.6** | **556.2** | **(200.1)** | **(991.3)** | **274.9** | **495.4** | **(221.0)** |
| **Closing balance – liabilities** | **289,254.6** | **1,280.6** | **13,704.9** | **304,240.0** | **285,769.3** | **1,263.2** | **12,460.7** | **299,493.2** |
| **Closing net balance** | **288,212.7** | **1,566.2** | **14,261.0** | **304,040.0** | **284,778.0** | **1,538.1** | **12,956.0** | **299,272.2** |

### 8.3.1.2 Insurance – BBA and VFA models Europe excluding France

| *(In € millions)* | 30.06.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total |
| **Opening balance – assets** | **(14.3)** | **0.0** | **0.0** | **(14.3)** | **(18.2)** | **1.1** | **2.2** | **(14.9)** |
| **Opening balance – liabilities** | **36,626.5** | **146.8** | **795.2** | **37,568.5** | **43,346.8** | **87.2** | **992.9** | **44,426.8** |
| **Opening net balance** | **36,612.2** | **146.8** | **795.2** | **37,554.2** | **43,328.5** | **88.3** | **995.1** | **44,411.9** |
| **Changes related to future services** | **(98.0)** | **1.7** | **96.4** | **0.1** | **(38.3)** | **77.2** | **(29.2)** | **9.8** |
| Changes in estimates resulting in an adjustment to the CSM | 68.6 | (0.9) | (68.6) | (0.9) | 251.1 | 68.8 | (324.9) | (5.0) |
| Changes in estimates resulting in losses and reversals on groups of onerous contracts | 0.3 | (1.8) | - | (1.6) | 13.0 | (0.2) | - | 12.8 |
| Effect of contracts recognised during the period | (166.9) | 4.5 | 165.0 | 2.6 | (302.4) | 8.6 | 295.7 | 1.9 |
| **Changes related to services rendered during the period** | **(7.7)** | **(9.8)** | **(70.1)** | **(87.6)** | **(4.0)** | **(8.9)** | **(149.8)** | **(162.7)** |
| CSM released to profit on insurance services provided during the period | - | - | (70.1) | (70.1) | - | - | (149.8) | (149.8) |
| Change in RA | - | (9.8) | - | (9.8) | - | (8.9) | - | (8.9) |
| Experience adjustments | (7.7) | - | - | (7.7) | (4.0) | - | - | (4.0) |
| **Changes related to past services** | **(2.8)** | **0.0** | **-** | **(2.8)** | **2.9** | **0.0** | **-** | **2.9** |
| Adjustments for incurred claims | (2.8) | 0.0 | - | (2.8) | 2.9 | 0.0 | - | 2.9 |
| **Insurance service result** | **(108.5)** | **(8.1)** | **26.3** | **(90.3)** | **(39.4)** | **68.4** | **(179.0)** | **(150.0)** |
| Finance income or expense from insurance contracts issued | 1,233.4 | 0.7 | (82.8) | 1,151.3 | (6,600.3) | (2.5) | 0.4 | (6,602.3) |
| Effect of exchange differences | - | - | - | - | - | - | - | - |
| **Total changes in profit or loss and other comprehensive income** | **1,124.9** | **(7.4)** | **(56.5)** | **1,061.0** | **(6,639.6)** | **65.9** | **(178.5)** | **(6,752.3)** |
| Cash flows | (1,381.0) | - | - | (1,381.0) | 2,161.2 | - | - | 2,161.2 |
| **Total cash flows** | **(1,381.0)** | **-** | **-** | **(1,381.0)** | **2,161.2** | **-** | **-** | **2,161.2** |
| Deferred acquisition costs - Allocation to insurance contracts | - | - | - | - | - | - | - | - |
| **Other movements** | **(0.0)** | **0.0** | **-** | **(0.0)** | **(2,237.9)** | **(7.4)** | **(21.3)** | **(2,266.7)** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | - | - | - | - |
| of which additions to and removals from the scope of consolidation and other consolidation effects | - | - | - | - | (2,117.2) | (7.4) | (28.5) | (2,153.1) |
| of which other changes (reclassification, change of method, etc.) | (0.0) | 0.0 | - | (0.0) | (120.7) | 0.0 | 7.2 | (113.6) |
| **Closing balance – assets** | **(6.2)** | **0.0** | **0.0** | **(6.2)** | **(14.3)** | **0.0** | **0.0** | **(14.3)** |
| **Closing balance – liabilities** | **36,362.3** | **139.3** | **738.7** | **37,240.4** | **36,626.5** | **146.8** | **795.2** | **37,568.5** |
| **Closing net balance** | **36,356.1** | **139.3** | **738.7** | **37,234.2** | **36,612.2** | **146.8** | **795.2** | **37,554.2** |

### *8.3.1.3 Insurance – BBA and VFA models Latin America*

| *(In € millions)* | 30.06.2023 Present value of future cash flows | 30.06.2023 Adjustment for non-financial risk (RA) | 30.06.2023 Contractual service margin (CSM) | 30.06.2023 Total | 31.12.2022 Present value of future cash flows | 31.12.2022 Adjustment for non-financial risk (RA) | 31.12.2022 Contractual service margin (CSM) | 31.12.2022 Total |
|---|---|---|---|---|---|---|---|---|
| **Opening balance – assets** | **(1,417.2)** | **79.6** | **229.9** | **(1,107.7)** | **(1,374.0)** | **80.3** | **197.3** | **(1,096.5)** |
| **Opening balance – liabilities** | **21,841.3** | **98.1** | **1,541.2** | **23,480.7** | **16,156.7** | **90.5** | **826.5** | **17,073.7** |
| **Opening net balance** | **20,424.1** | **177.7** | **1,771.1** | **22,372.9** | **14,782.7** | **170.8** | **1,023.8** | **15,977.2** |
| **Changes related to future services** | **(475.5)** | **6.6** | **479.2** | **10.3** | **(1,072.4)** | **40.4** | **1,036.1** | **4.0** |
| Changes in estimates resulting in an adjustment to the CSM | (211.3) | 6.5 | 229.5 | 24.6 | (272.8) | (0.2) | 273.1 | 0.0 |
| Changes in estimates resulting in losses and reversals on groups of onerous contracts | - | (15.7) | - | (15.7) | - | - | - | - |
| Effect of contracts recognised during the period | (264.1) | 15.8 | 249.8 | 1.4 | (799.6) | 40.6 | 763.0 | 4.0 |
| **Changes related to services rendered during the period** | **(41.1)** | **(25.7)** | **(227.0)** | **(293.8)** | **(49.8)** | **(58.9)** | **(449.1)** | **(557.7)** |
| CSM released to profit on insurance services provided during the period | - | - | (227.0) | (227.0) | - | - | (449.1) | (449.1) |
| Change in RA | - | (25.7) | - | (25.7) | - | (58.9) | - | (58.9) |
| Experience adjustments | (41.1) | - | - | (41.1) | (49.8) | - | - | (49.8) |
| **Changes related to past services** | **11.0** | **(5.6)** | **-** | **5.4** | **(4.5)** | **(5.8)** | **-** | **(10.3)** |
| Adjustments for incurred claims | 11.0 | (5.6) | - | 5.4 | (4.5) | (5.8) | - | (10.3) |
| **Insurance service result** | **(505.6)** | **(24.7)** | **252.2** | **(278.1)** | **(1,126.7)** | **(24.2)** | **587.0** | **(564.0)** |
| Finance income or expense from insurance contracts issued | 1,494.5 | 12.7 | 36.8 | 1,544.0 | 2,586.3 | 12.5 | 70.1 | 2,668.9 |
| Effect of exchange differences | 1,469.2 | 10.3 | 124.0 | 1,603.5 | 1,624.9 | 19.1 | 90.4 | 1,734.4 |
| **Total changes in profit or loss and other comprehensive income** | **2,458.1** | **(1.8)** | **413.0** | **2,869.3** | **3,084.5** | **7.4** | **747.5** | **3,839.4** |
| Cash flows | 794.6 | - | - | 794.6 | 2,559.1 | - | - | 2,559.1 |
| **Total cash flows** | **794.6** | **-** | **-** | **794.6** | **2,559.1** | **-** | **-** | **2,559.1** |
| Deferred acquisition costs - Allocation to insurance contracts | - | - | - | - | - | - | - | - |
| **Other movements** | **14.7** | **(0.2)** | **(0.2)** | **14.2** | **(2.1)** | **(0.5)** | **(0.1)** | **(2.7)** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | - | - | - | - |
| of which additions to and removals from the scope of consolidation and other consolidation effects | - | - | - | - | - | - | - | - |
| of which other changes (reclassification, change of method, etc.) | 14.7 | (0.2) | (0.2) | 14.2 | (2.1) | (0.5) | (0.1) | (2.7) |
| **Closing balance – assets** | **(1,619.0)** | **90.5** | **343.6** | **(1,184.9)** | **(1,417.2)** | **79.6** | **229.9** | **(1,107.7)** |
| **Closing balance – liabilities** | **25,310.5** | **85.2** | **1,840.4** | **27,236.0** | **21,841.3** | **98.1** | **1,541.2** | **23,480.7** |
| **Closing net balance** | **23,691.5** | **175.7** | **2,183.9** | **26,051.1** | **20,424.1** | **177.7** | **1,771.1** | **22,372.9** |

### 8.3.2 *Reinsurance – BBA and VFA models*

| *(In € millions)* | 30.06.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total |
| **Opening balance – assets** | **7,170.9** | **108.3** | **623.6** | **7,902.8** | **10,197.0** | **119.2** | **863.1** | **11,179.3** |
| **Opening balance – liabilities** | **(43.4)** | **22.2** | **1.2** | **(20.0)** | **(17.4)** | **3.2** | **0.7** | **(13.5)** |
| **Opening net balance** | **7,127.5** | **130.5** | **624.8** | **7,882.8** | **10,179.6** | **122.4** | **863.8** | **11,165.8** |
| **Changes related to future services** | **(324.7)** | **(3.4)** | **330.7** | **2.6** | **(54.1)** | **47.0** | **10.2** | **3.1** |
| Changes in estimates resulting in an adjustment to the CSM | (316.0) | (5.4) | 321.4 | 0.0 | (44.9) | 45.4 | (0.1) | 0.3 |
| Changes in estimates resulting in losses and reversals on underlying onerous contracts | 2.5 | - | - | 2.5 | 2.8 | - | - | 2.8 |
| Effect of contracts recognised during the period | (11.2) | 2.0 | 9.3 | 0.1 | (11.9) | 1.6 | 10.3 | 0.0 |
| **Changes related to services rendered during the period** | **41.5** | **(2.7)** | **(96.9)** | **(58.1)** | **113.0** | **3.0** | **(54.3)** | **61.8** |
| CSM released to profit on insurance services provided during the period | - | - | (96.9) | (96.9) | - | - | (54.3) | (54.3) |
| Change in RA | - | (2.7) | - | (2.7) | - | 3.0 | - | 3.0 |
| Experience adjustments | 41.5 | - | - | 41.5 | 113.0 | - | - | 113.0 |
| **Changes related to past services** | **(25.4)** | **(1.8)** | **-** | **(27.2)** | **11.0** | **(4.4)** | **-** | **6.6** |
| Changes related to past services | (25.4) | (1.8) | - | (27.2) | 11.0 | (4.4) | - | 6.6 |
| **Reinsurance revenue and service expenses** | **(308.6)** | **(7.9)** | **233.8** | **(82.7)** | **69.9** | **45.6** | **(44.1)** | **71.4** |
| Finance income or expenses from reinsurance contracts | 671.3 | 6.0 | (150.9) | 526.4 | (2,867.0) | (35.1) | (195.7) | (3,097.9) |
| Effect of changes in reinsurers' default risk | - | - | - | - | - | - | - | - |
| Effect of exchange differences | 0.0 | - | - | 0.0 | (0.4) | - | - | (0.4) |
| **Reinsurance revenue and service expenses** | **671.4** | **6.0** | **(150.9)** | **526.4** | **(2,867.4)** | **(35.1)** | **(195.7)** | **(3,098.3)** |
| **Total changes in profit or loss and other comprehensive income** | **362.8** | **(1.9)** | **82.9** | **443.7** | **(2,797.5)** | **10.5** | **(239.8)** | **(3,026.8)** |
| Cash flows | (22.5) | - | - | (22.5) | 1,491.5 | - | - | 1,491.5 |
| **Total cash flows** | **(22.5)** | **-** | **-** | **(22.5)** | **1,491.5** | **-** | **-** | **1,491.5** |
| **Other movements** | **20.0** | **(0.1)** | **(13.3)** | **6.6** | **(1,746.0)** | **(2.4)** | **0.7** | **(1,747.6)** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | (1,731.8) | - | 0.0 | (1,731.8) |
| of which additions to and removals from the scope of consolidation and other consolidation effects | - | - | - | - | (0.0) | - | - | (0.0) |
| of which other changes (reclassification, change of method, etc.) | 20.0 | (0.1) | (13.3) | 6.6 | (14.2) | (2.4) | 0.7 | (15.8) |
| **Closing balance – assets** | **7,540.6** | **107.0** | **759.6** | **8,407.2** | **7,170.9** | **108.3** | **623.6** | **7,902.8** |
| **Closing balance – liabilities** | **(52.9)** | **21.5** | **(65.2)** | **(96.6)** | **(43.4)** | **22.2** | **1.2** | **(20.0)** |
| **Closing net balance** | **7,487.7** | **128.6** | **694.4** | **8,310.6** | **7,127.5** | **130.5** | **624.8** | **7,882.8** |

### 8.3.2.1 Reinsurance – BBA and VFA models France (including French overseas departments and territories and Luxembourg)

| | 30.06.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| *(In € millions)* | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total |
| **Opening balance – assets** | **7,149.2** | **105.8** | **623.2** | **7,878.2** | **10,130.7** | **118.0** | **859.9** | **11,108.7** |
| **Opening balance – liabilities** | **(23.3)** | **15.0** | **(4.6)** | **(13.0)** | **0.8** | **0.1** | **-** | **0.9** |
| **Opening net balance** | **7,125.9** | **120.8** | **618.6** | **7,865.3** | **10,131.5** | **118.2** | **859.9** | **11,109.6** |
| **Changes related to future services** | **(322.0)** | **(4.3)** | **328.8** | **2.5** | **(44.2)** | **39.8** | **7.2** | **2.8** |
| Changes in estimates resulting in an adjustment to the CSM | (315.8) | (5.3) | 321.1 | - | (36.4) | 38.8 | (2.3) | 0.0 |
| Changes in estimates resulting in losses and reversals on underlying onerous contracts | 2.5 | - | - | 2.5 | 2.8 | - | - | 2.8 |
| Effect of contracts recognised during the period | (8.7) | 1.0 | 7.7 | - | (10.5) | 1.0 | 9.5 | 0.0 |
| **Changes related to services rendered during the period** | **45.1** | **(1.4)** | **(95.3)** | **(51.7)** | **119.3** | **3.8** | **(52.8)** | **70.2** |
| CSM released to profit on insurance services provided during the period | - | - | (95.3) | (95.3) | - | - | (52.8) | (52.8) |
| Change in RA | - | (1.4) | - | (1.4) | - | 3.8 | - | 3.8 |
| Experience adjustments | 45.1 | - | - | 45.1 | 119.3 | - | - | 119.3 |
| **Changes related to past services** | **(26.1)** | **(1.8)** | **-** | **(27.9)** | **11.0** | **(4.4)** | **-** | **6.6** |
| Changes related to past services | (26.1) | (1.8) | - | (27.9) | 11.0 | (4.4) | - | 6.6 |
| **Reinsurance revenue and service expenses** | **(303.0)** | **(7.6)** | **233.4** | **(77.1)** | **86.0** | **39.2** | **(45.7)** | **79.6** |
| Finance income or expenses from reinsurance contracts | 670.7 | 6.6 | (151.0) | 526.4 | (2,867.7) | (34.2) | (195.7) | (3,097.5) |
| Effect of changes in reinsurers' default risk | - | - | - | - | - | - | - | - |
| Effect of exchange differences | 0.0 | - | - | 0.0 | - | - | - | - |
| **Reinsurance revenue and service expenses** | **670.7** | **6.6** | **(151.0)** | **526.4** | **(2,867.7)** | **(34.2)** | **(195.7)** | **(3,097.5)** |
| **Total changes in profit or loss and other comprehensive income** | **367.7** | **(0.9)** | **82.5** | **449.3** | **(2,781.6)** | **5.0** | **(241.3)** | **(3,017.9)** |
| Cash flows | (23.6) | - | - | (23.6) | 1,520.3 | - | - | 1,520.3 |
| **Total cash flows** | **(23.6)** | **-** | **-** | **(23.6)** | **1,520.3** | **-** | **-** | **1,520.3** |
| **Other movements** | **20.0** | **(0.1)** | **(13.3)** | **6.6** | **(1,744.2)** | **(2.4)** | **0.0** | **(1,746.6)** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | (1,731.8) | - | 0.0 | (1,731.8) |
| of which additions to and removals from the scope of consolidation and other consolidation effects | - | - | - | - | - | - | - | - |
| of which other changes (reclassification, change of method, etc.) | 20.0 | (0.1) | (13.3) | 6.6 | (12.4) | (2.4) | - | (14.8) |
| **Closing balance – assets** | **7,519.2** | **106.2** | **757.5** | **8,382.8** | **7,149.2** | **105.8** | **623.2** | **7,878.2** |
| **Closing balance – liabilities** | **(29.1)** | **13.7** | **(69.7)** | **(85.2)** | **(23.3)** | **15.0** | **(4.6)** | **(13.0)** |
| **Closing net balance** | **7,490.1** | **119.8** | **687.8** | **8,297.7** | **7,125.9** | **120.8** | **618.6** | **7,865.3** |

### 8.3.2.2 Reinsurance – BBA and VFA models Europe excluding France

| *(In € millions)* | 30.06.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total |
| **Opening balance – assets** | **21.7** | **2.4** | **0.4** | **24.6** | **63.7** | **1.2** | **3.2** | **68.1** |
| **Opening balance – liabilities** | **(20.1)** | **7.3** | **5.8** | **(7.1)** | **(18.2)** | **3.1** | **0.7** | **(14.4)** |
| **Opening net balance** | **1.6** | **9.7** | **6.2** | **17.5** | **45.5** | **4.2** | **3.9** | **53.6** |
| **Changes related to future services** | **(2.7)** | **1.0** | **1.9** | **0.1** | **(9.9)** | **7.2** | **3.0** | **0.3** |
| Changes in estimates resulting in an adjustment to the CSM | (0.3) | (0.0) | 0.3 | 0.0 | (8.5) | 6.6 | 2.2 | 0.3 |
| Changes in estimates resulting in losses and reversals on underlying onerous contracts | - | - | - | - | - | - | - | - |
| Effect of contracts recognised during the period | (2.5) | 1.0 | 1.6 | 0.1 | (1.4) | 0.6 | 0.8 | - |
| **Changes related to services rendered during the period** | **(3.6)** | **(1.3)** | **(1.5)** | **(6.4)** | **(6.3)** | **(0.7)** | **(1.4)** | **(8.5)** |
| CSM released to profit on insurance services provided during the period | - | - | (1.5) | (1.5) | - | - | (1.4) | (1.4) |
| Change in RA | - | (1.3) | - | (1.3) | - | (0.7) | - | (0.7) |
| Experience adjustments | (3.6) | - | - | (3.6) | (6.3) | - | - | (6.3) |
| **Changes related to past services** | **0.7** | **-** | **-** | **0.7** | **0.0** | **-** | **-** | **0.0** |
| Changes related to past services | 0.7 | - | - | 0.7 | 0.0 | - | - | 0.0 |
| **Reinsurance revenue and service expenses** | **(5.6)** | **(0.4)** | **0.4** | **(5.6)** | **(16.2)** | **6.5** | **1.6** | **(8.2)** |
| Finance income or expenses from reinsurance contracts | 0.6 | (0.6) | 0.0 | 0.0 | 0.6 | (1.0) | (0.0) | (0.4) |
| Effect of changes in reinsurers' default risk | - | - | - | - | - | - | - | - |
| Effect of exchange differences | - | - | - | - | - | - | - | - |
| **Reinsurance revenue and service expenses** | **0.6** | **(0.6)** | **0.0** | **0.0** | **0.6** | **(1.0)** | **(0.0)** | **(0.4)** |
| **Total changes in profit or loss and other comprehensive income** | **(5.0)** | **(1.0)** | **0.4** | **(5.6)** | **(15.5)** | **5.5** | **1.5** | **(8.5)** |
| Cash flows | 1.0 | - | - | 1.0 | (29.4) | - | - | (29.4) |
| **Total cash flows** | **1.0** | **-** | **-** | **1.0** | **(29.4)** | **-** | **-** | **(29.4)** |
| **Other movements** | **-** | **-** | **-** | **-** | **1.0** | **(0.0)** | **0.7** | **1.7** |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | - | - | - | - |
| of which additions to and removals from the scope of consolidation and other | - | - | - | - | (0.0) | - | - | (0.0) |
| of which other changes (reclassification, change of method, etc.) | - | - | - | - | 1.0 | (0.0) | 0.7 | 1.8 |
| **Closing balance – assets** | **21.4** | **0.9** | **2.1** | **24.4** | **21.7** | **2.4** | **0.4** | **24.6** |
| **Closing balance – liabilities** | **(23.8)** | **7.9** | **4.5** | **(11.4)** | **(20.1)** | **7.3** | **5.8** | **(7.1)** |
| **Closing net balance** | **(2.4)** | **8.7** | **6.6** | **13.0** | **1.6** | **9.7** | **6.2** | **17.5** |

### 8.3.2.3 Reinsurance – BBA and VFA models Latin America

| *(In € millions)* | 30.06.2023 Present value of future cash flows | 30.06.2023 Adjustment for non-financial risk (RA) | 30.06.2023 Contractual service margin (CSM) | 30.06.2023 Total | 31.12.2022 Present value of future cash flows | 31.12.2022 Adjustment for non-financial risk (RA) | 31.12.2022 Contractual service margin (CSM) | 31.12.2022 Total |
|---|---|---|---|---|---|---|---|---|
| **Opening balance – assets** | - | - | - | - | **2.6** | - | - | **2.6** |
| **Opening balance – liabilities** | - | - | - | - | - | - | - | - |
| **Opening net balance** | - | - | - | - | 2.6 | - | - | 2.6 |
| **Changes related to future services** | - | - | - | - | - | - | - | - |
| Changes in estimates resulting in an adjustment to the CSM | - | - | - | - | - | - | - | - |
| Changes in estimates resulting in losses and reversals on underlying onerous contracts | - | - | - | - | - | - | - | - |
| Effect of contracts recognised during the period | - | - | - | - | - | - | - | - |
| **Changes related to services rendered during the period** | - | - | - | - | - | - | - | - |
| CSM released to profit on insurance services provided during the period | - | - | - | - | - | - | - | - |
| Change in RA | - | - | - | - | - | - | - | - |
| Experience adjustments | - | - | - | - | - | - | - | - |
| **Changes related to past services** | - | - | - | - | - | - | - | - |
| Changes related to past services | - | - | - | - | - | - | - | - |
| **Reinsurance revenue and service expenses** | - | - | - | - | - | - | - | - |
| Finance income or expenses from reinsurance contracts | - | - | - | - | - | - | - | - |
| Effect of changes in reinsurers' default risk | - | - | - | - | - | - | - | - |
| Effect of exchange differences | - | - | - | - | (0.4) | - | - | (0.4) |
| **Reinsurance revenue and service expenses** | - | - | - | - | **(0.4)** | - | - | **(0.4)** |
| **Total changes in profit or loss and other comprehensive income** | - | - | - | - | (0.4) | - | - | (0.4) |
| Cash flows | - | - | - | - | 0.5 | - | - | 0.5 |
| **Total cash flows** | - | - | - | - | 0.5 | - | - | 0.5 |
| **Other movements** | - | - | - | - | (2.8) | - | - | (2.8) |
| of which portfolio transfers and restructuring (mergers, M&A, etc.) | - | - | - | - | - | - | - | - |
| of which additions to and removals from the scope of consolidation and other consolidation effects | - | - | - | - | - | - | - | - |
| of which other changes (reclassification, change of method, etc.) | - | - | - | - | (2.8) | - | - | (2.8) |
| **Closing balance – assets** | - | - | - | - | - | - | - | - |
| **Closing balance – liabilities** | - | - | - | - | - | - | - | - |
| **Closing net balance** | - | - | - | - | - | - | - | - |

### 8.3.3 *Reconciliation with the financial statements*

#### *8.3.3.1 Insurance*

| (In € millions) | Contracts valued using the BBA and VFA models | | | | Contracts valued using the PAA model | Insurance acquisition cash flows not yet allocated to insurance contracts | Amounts recognised in the balance sheet and in profit or loss |
|---|---|---|---|---|---|---|---|
| | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | | | |
| Opening balance – assets | (2,422.7) | 354.5 | 725.3 | **(1,343.0)** | (97.6) | (65.6) | **(1,506.1)** |
| Opening balance – liabilities | 344,237.1 | 1,508.1 | 14,797.1 | **360,542.3** | 1,584.2 | | **362,126.6** |
| **Opening net balance** | **341,814.4** | **1,862.6** | **15,522.4** | **359,199.3** | **1,486.7** | **(65.6)** | **360,620.4** |
| Insurance service result | (8,677.8) | (16.3) | 7,259.0 | **(1,435.1)** | (166.6) | | **(1,601.7)** |
| Finance income or expense from insurance contracts | 16,017.6 | 23.8 | (5,719.2) | **10,322.1** | 18.6 | | **10,340.7** |
| Effect of exchange differences | 1,469.2 | 10.3 | 124.0 | **1,603.5** | (3.1) | | **1,600.3** |
| **Total changes in profit or loss and other comprehensive income** | **8,809.0** | **17.7** | **1,663.8** | **10,490.5** | **(151.2)** | | **10,339.3** |
| Cash flows | (2,349.5) | - | - | **(2,349.5)** | 137.7 | | **(2,211.8)** |
| **Total cash flows** | **(2,349.5)** | **-** | **-** | **(2,349.5)** | **137.7** | | **(2,211.8)** |
| **Deferred acquisition costs - Allocation to insurance contracts** | **-** | **-** | **-** | **-** | **-** | | **-** |
| **Other movements** | **(13.5)** | **0.9** | **(2.4)** | **(15.0)** | **0.1** | | **(14.9)** |
| Closing balance – assets | (2,667.0) | 376.1 | 899.7 | **(1,391.2)** | (132.4) | (69.3) | **(1,592.8)** |
| Closing balance – liabilities | 350,927.4 | 1,505.1 | 16,284.0 | **368,716.4** | 1,605.7 | | **370,322.1** |
| **Closing net balance** | **348,260.4** | **1,881.2** | **17,183.7** | **367,325.3** | **1,473.3** | **(69.3)** | **368,729.3** |

### *8.3.3.2 Reinsurance*

| | Contracts valued using the BBA and VFA models | | | | | |
|---|---|---|---|---|---|---|
| (In € millions) | Present value of future cash flows | Adjustment for non-financial risk (RA) | Contractual service margin (CSM) | Total | Contracts valued using the PAA model | Total |
| Opening balance – assets | 7,170.9 | 108.3 | 623.6 | **7,902.8** | 303.9 | **8,206.7** |
| Opening balance – liabilities | (43.4) | 22.2 | 1.2 | **(20.0)** | (12.9) | **(32.9)** |
| **Opening net balance** | **7,127.5** | **130.5** | **624.8** | **7,882.8** | **291.0** | **8,173.8** |
| Reinsurance revenue and service expenses | (308.6) | (7.9) | 233.8 | **(82.7)** | (26.3) | **(109.1)** |
| Effect of exchange differences | 0.0 | - | - | **0.0** | 0.8 | **0.8** |
| Reinsurance revenue and service expenses | 671.3 | 6.0 | (150.9) | **526.4** | 6.3 | **532.7** |
| **Total changes in profit or loss and other comprehensive income** | **362.8** | **(1.9)** | **82.9** | **443.7** | **(19.3)** | **424.5** |
| Cash flows | (22.5) | - | - | **(22.5)** | 20.9 | **(1.6)** |
| **Total cash flows** | **(22.5)** | **-** | **-** | **(22.5)** | **20.9** | **(1.6)** |
| **Other movements** | **20.0** | **(0.1)** | **(13.3)** | **6.6** | **(3.3)** | **3.3** |
| **Closing net balance** | **7,487.7** | **128.6** | **694.4** | **8,310.6** | **289.4** | **8,600.0** |

## 8.4 Analysis of new contracts recognised during the period using the BBA and VFA models

### 8.4.1 *Insurance*

The amounts shown correspond to the effects of the new contracts upon initial recognition

| *(In € millions)* | 30.06.2023<br>Contracts initially recognised during the period | Of which: profitable contracts | Of which: onerous contracts | Acquired contracts(*) |
|---|---|---|---|---|
| **Estimated present value of future cash outflows** | **12,416.0** | **12,401.3** | **14.7** | **-** |
| Insurance acquisition cash flows | 241.5 | 240.9 | 0.7 | - |
| Incurred claims and other insurance service expenses | 12,174.5 | 12,160.4 | 14.1 | - |
| **Estimated present value of future cash inflows** | **(13,369.6)** | **(13,358.8)** | **(10.8)** | **-** |
| **Estimated present value of future cash flows** | **(953.6)** | **(957.5)** | **3.9** | **-** |
| **Adjustment for non-financial risk (RA)** | **96.5** | **96.4** | **0.1** | **-** |
| **Contractual service margin (CSM)** | **861.1** | **861.1** | | **-** |
| **Loss component** | **4.0** | | **4.0** | |

| *(In € millions)* | 31.12.2022<br>Contracts initially recognised during the period | Of which: profitable contracts | Of which: onerous contracts | Acquired contracts(*) |
|---|---|---|---|---|
| **Estimated present value of future cash outflows** | **21,912.2** | **21,737.0** | **175.2** | **-** |
| Insurance acquisition cash flows | 486.4 | 473.3 | 13.1 | - |
| Incurred claims and other insurance service expenses | 21,425.7 | 21,263.7 | 162.1 | - |
| **Estimated present value of future cash inflows** | **(23,531.2)** | **(23,373.5)** | **(157.7)** | **-** |
| **Estimated present value of future cash flows** | **(1,619.0)** | **(1,636.5)** | **17.5** | **-** |
| **Adjustment for non-financial risk (RA)** | **177.0** | **172.6** | **4.4** | **-** |
| **Contractual service margin (CSM)** | **1,463.9** | **1,463.9** | | **-** |
| **Loss component** | **21.9** | | **21.9** | |

(*) Acquired contracts correspond to transferred contracts or new contracts acquired in business combinations. They are presented under “Other changes” in Note 8.3.1.

### 8.4.2 *Reinsurance*

| *(In € millions)* | 30.06.2023 Contracts initially recognised during the period | Of which: profitable contracts | Of which: onerous contracts | Acquired contracts(*) |
|---|---|---|---|---|
| Estimated present value of future cash outflows | (34.2) | (34.2) | - | - |
| Estimated present value of future cash inflows | 23.1 | 23.0 | 0.1 | - |
| **Estimated present value of future cash flows** | **(11.2)** | **(11.3)** | **0.1** | **-** |
| **Adjustment for non-financial risk (RA)** | **2.0** | **2.0** | **-** | **-** |
| **Contractual service margin (CSM)** | **9.3** | **9.3** | **-** | **-** |
| **Loss recovery component** | **0.1** | **-** | **0.1** | **-** |

| *(In € millions)* | 31.12.2022 Contracts initially recognised during the period | Of which: profitable contracts | Of which: onerous contracts | Acquired contracts(*) |
|---|---|---|---|---|
| Estimated present value of future cash outflows | (35.5) | (35.5) | - | - |
| Estimated present value of future cash inflows | 23.6 | 23.6 | - | - |
| **Estimated present value of future cash flows** | **(11.9)** | **(11.9)** | **-** | **-** |
| **Adjustment for non-financial risk (RA)** | **1.6** | **1.6** | **-** | **-** |
| **Contractual service margin (CSM)** | **10.3** | **10.3** | **-** | **-** |
| **Loss recovery component** | **-** | **-** | **-** | **-** |

(*) Acquired contracts correspond to transferred contracts or new contracts acquired in business combinations. They are presented under "Other changes" in Note 8.3.2.

## 8.5 Analysis of the contractual service margin

This table shows the amounts released from the CSM to profit or loss over the remaining period of coverage of insurance and reinsurance contracts by geographic area.

| *(In € millions)* | Within 5 years | In 5 to 10 years | Beyond 10 years | Total |
|---|---|---|---|---|
| **Insurance contracts at 30 June 2023** | **7,176.7** | **5,413.2** | **4,593.8** | **17,183.7** |
| France | 6,329.9 | 3,495.2 | 4,435.9 | 14,261.0 |
| Europe excl. France | 405.9 | 189.0 | 143.8 | 738.7 |
| Latin America | 440.8 | 1,729.0 | 14.2 | 2,183.9 |
| **Reinsurance contracts at 30 June 2023** | **182.0** | **131.7** | **380.6** | **694.4** |
| France | 178.9 | 130.1 | 378.8 | 687.8 |
| Europe excl. France | 3.2 | 1.6 | 1.8 | 6.6 |
| Latin America | - | - | - | - |

| *(In € millions)* | Within 5 years | In 5 to 10 years | Beyond 10 years | Total |
|---|---|---|---|---|
| **Insurance contracts at 31 Dec. 2022** | **6,502.7** | **4,888.7** | **4,131.0** | **15,522.4** |
| France | 5,840.8 | 3,183.6 | 3,931.6 | 12,956.0 |
| Europe excl. France | 400.2 | 199.4 | 195.5 | 795.2 |
| Latin America | 261.6 | 1,505.7 | 3.9 | 1,771.1 |
| **Reinsurance contracts at 31 Dec. 2022** | **203.8** | **132.2** | **288.8** | **624.8** |
| France | 201.3 | 130.5 | 286.8 | 618.6 |
| Europe excl. France | 2.5 | 1.7 | 2.0 | 6.2 |
| Latin America | - | - | - | - |

# Note 9 Equity

***Components of equity***

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets, other finance income and expense accumulated in equity, the financial reserve and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (see Note 9.3).

***Capital management***

Under European insurance directives, CNP Assurances is required to comply with certain minimum capital requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at the consolidated level.

At 30 June 2023, CNP Assurances' insurance subsidiaries and the CNP Assurances Group as a whole complied with these minimum Solvency Capital Requirements.

Compliance with these requirements is regularly monitored, primarily through the Own Risk and Solvency Assessments (ORSA) conducted at the level of CNP Assurances and at the level of the insurance subsidiaries in accordance with Solvency II. This information and the solvency capital calculations are reported to France's insurance supervisor (*Autorité de contrôle prudentiel et de résolution* – ACPR).

## 9.1 Ownership structure

| Shareholder | Number of shares | | % interest |
|---|---|---|---|
| La Banque Postale | 400,025,632 | 400,025,632 | 100.00% |
| **TOTAL** | **400,025,632** | **400,025,632** | **100.00%** |

## 9.2 Number of shares

| Issued capital | Ordinary shares | |
|---|---|---|
| | **30.06.2023** | 31.12.2022 |
| Number of shares outstanding at the beginning of the period | 400,025,632 | 400,025,632 |
| Shares issued during the period | | 0 |
| **Number of shares outstanding at the end of the period** | **400,025,632** | **400,025,632** |

## 9.3 Perpetual subordinated notes classified in equity

Subordinated notes for which the contractual clauses do not stipulate any obligation to repay the nominal amount or pay any compensation are classified as equity instruments. All other dated and perpetual debt instruments, especially those with a repayment schedule, are classified as financing liabilities in accordance with IAS 32.

| *(In € millions)* | Issuance date | 30.06.2023 | | |
|---|---|---|---|---|
| | | Interest rate | Currency | Amount |
| **Subordinated notes (attributable to owners of the parent)** | | | | |
| CNP Assurances | June 2004 | Tec 10 +10 bps, capped at 9% | € | 251.2 |
| | March 2005 | 6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor | € | 24.5 |
| | March 2005 | 6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS | € | 220.4 |
| | June 2005 | 7% until June 2010, then 10-year CMS +30 bps | € | 60.3 |
| | May 2006 | 5.25% until 16 May 2036, then 3-month Euribor +185 bps (including 100 bps step-up at call date) | € | 180.8 |
| | December 2006 | 3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps | € | 99.4 |
| | November 2014 | 4% until November 2024, then reset at the 5-year fixed swap rate +410 bps | € | 555.6 |
| | June 2018 | 4.75% until 2028 then reset at the 5-year fixed swap rate +391.4 bps | € | 552.1 |
| **TOTAL** | | | | **1,944.3** |

| *(In € millions)* | Issuance date | '31/12/2022 | | |
|---|---|---|---|---|
| | | Interest rate | Currency | Amount |
| **Subordinated notes (attributable to owners of the parent)** | | | | |
| CNP Assurances | June 2004 | Tec 10 +10 bps, capped at 9% | € | 251.2 |
| | March 2005 | 6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor | € | 24.5 |
| | March 2005 | 6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS | € | 220.4 |
| | June 2005 | 7% until June 2010, then 10-year CMS +30 bps | € | 60.3 |
| | May 2006 | 5.25% until 16 May 2036, then 3-month Euribor +185 bps (including 100 bps step-up at call date) | € | 180.8 |
| | December 2006 | 3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps | € | 99.4 |
| | November 2014 | 4% until November 2024, then reset at the 5-year fixed swap rate +410 bps | € | 555.6 |
| | June 2018 | 4.75% until 2028 then reset at the 5-year fixed swap rate +391.4 bps | € | 552.1 |
| **TOTAL** | | | | **1,944.3** |

# ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

## Note 10 Insurance revenue

| *(In € millions)* | 30.06.2023 | | | |
|---|---|---|---|---|
| | France | Europe excl. France | Latin America | Total |
| **Contracts valued using the BBA and VFA models** | **3,472.4** | **327.9** | **567.6** | **4,367.9** |
| Changes in outstanding coverage liabilities arising from: | | | | |
| -CSM released to profit on insurance services provided during the period | 847.7 | 70.1 | 227.0 | **1,144.8** |
| -RA released to profit | 109.1 | 9.8 | 31.6 | **150.5** |
| -Expected income for the period relating to insurance contracts issued, net of amortisation of the loss component | 2,277.5 | 233.5 | 319.3 | **2,830.2** |
| -Experience adjustments | 238.1 | 14.6 | (10.4) | **242.3** |
| **Acquisition costs allocated to the period** | **601.4** | **19.2** | **242.6** | **863.2** |
| **Contracts valued using the PAA model** | **373.2** | **415.8** | **-** | **789.0** |
| **TOTAL INSURANCE REVENUE** | **4,447.0** | **763.0** | **810.2** | **6,020.1** |

| *(In € millions)* | 30.06.2022 | | | |
|---|---|---|---|---|
| | France | Europe excl. France | Latin America | Total |
| **Contracts valued using the BBA and VFA models** | **3,269.7** | **324.9** | **563.5** | **4,158.1** |
| Changes in outstanding coverage liabilities arising from: | | | | |
| -CSM released to profit on insurance services provided during the period | 800.5 | 60.8 | 225.8 | **1,087.1** |
| -RA released to profit | 94.8 | 4.9 | 34.6 | **134.3** |
| -Expected income for the period relating to insurance contracts issued, net of amortisation of the loss component | 2,351.5 | 241.7 | 298.6 | **2,891.9** |
| -Experience adjustments | 22.9 | 17.5 | 4.4 | **44.8** |
| **Acquisition costs allocated to the period** | **704.7** | **27.6** | **390.8** | **1,123.1** |
| **Contracts valued using the PAA model** | **338.7** | **469.7** | **-** | **808.4** |
| **TOTAL INSURANCE REVENUE** | **4,313.1** | **822.2** | **954.3** | **6,089.6** |

# Note 11 Insurance service expenses

**Cost recognition and allocation:**

Operating expenses are initially recognised by nature and are then reallocated by function.
Costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:

- corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data;
- operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

| *(In € millions)* | 30.06.2023 | 30.06.2022 |
|---|---|---|
| Insurance service expenses (excluding ceded expenses) | (1,964.9) | (1,919.1) |
| Fees and commissions | (2,030.4) | (2,186.9) |
| Losses on onerous contracts | (15.8) | (12.3) |
| Depreciation and amortisation expense and impairment losses | (52.6) | (93.2) |
| Employee benefits expense | (364.7) | (329.6) |
| Change in value of intangible assets | (0.1) | (12.8) |
| Taxes other than on income | (86.4) | (59.2) |
| Other | (452.9) | (510.0) |
| Amortisation of deferred acquisition costs | (945.5) | (1,206.9) |
| Insurance acquisition cash flows | 1,026.6 | 1,105.3 |
| **TOTAL** | **(4,886.6)** | **(5,224.6)** |
| Represented by: | | |
| Insurance service expenses | (4,418.5) | (4,648.0) |
| Non-attributable expenses on securities | (29.2) | (60.4) |
| Other recurring operating expenses | (436.4) | (474.2) |
| Other non-recurring operating expenses | (2.4) | (29.1) |
| Change in value of intangible assets | (0.1) | (12.8) |
| **TOTAL** | **(4,886.6)** | **(5,224.5)** |

# Note 12 Finance income and expenses

## 12.1 Finance income and expenses by geographic area

| | 30.06.2023 | | | | 30.06.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| *(In € millions)* | France | Europe excl. France | Latin America | Total | France | Europe excl. France | Latin America | Total |
| Finance revenue | 3,429.2 | 378.1 | 189.5 | **3,996.8** | 2,984.2 | 197.8 | 137.5 | **3,319.5** |
| Non-attributable expenses on securities | (19.1) | (0.2) | (10.0) | **(29.2)** | (26.1) | (0.5) | (33.8) | **(60.4)** |
| Investment expenses, other finance costs excluding cost of debt | (483.8) | (0.1) | (16.7) | **(500.7)** | (281.1) | (0.2) | (5.6) | **(286.8)** |
| **Finance income net of expenses** | **2,926.3** | **377.8** | **162.8** | **3,466.9** | **2,677.0** | **197.1** | **98.2** | **2,972.3** |
| Gains and losses on disposal of investments* | (810.7) | (9.2) | (0.2) | **(820.0)** | (1,035.2) | (27.2) | (5.2) | **(1,067.6)** |
| Foreign exchange gains and losses on financial assets and liabilities | (48.9) | 0.7 | 1.6 | **(46.6)** | 59.3 | 1.3 | 0.3 | **60.9** |
| Change in impairment losses on financial instruments | 14.4 | 5.3 | (11.1) | **8.6** | (2.4) | (1.5) | (7.3) | **(11.2)** |
| Net gain or loss on derecognised financial assets at amortised cost | (0.0) | - | (2.9) | **(2.9)** | - | - | - | - |
| Change in fair value of financial assets at fair value through profit or loss | 1,901.4 | 454.6 | 1,579.7 | **3,935.6** | (7,046.7) | (3,195.0) | 1,128.5 | **(9,113.2)** |
| Change in fair value of financial assets at fair value through OCI | 4,531.3 | 445.9 | 61.1 | **5,038.3** | (27,763.2) | (3,102.0) | 10.7 | **(30,854.5)** |
| Interest calculated using the effective interest method | (88.7) | (49.5) | - | **(138.2)** | (31.3) | (61.2) | - | **(92.5)** |
| **FINANCE INCOME AND EXPENSES RECOGNISED IN PROFIT OR LOSS AND OCI** | **8,425.0** | **1,225.6** | **1,791.1** | **11,441.6** | **(33,142.5)** | **(6,188.3)** | **1,225.2** | **(38,105.7)** |
| Change in fair value of underlying items | (3,661.6) | (745.4) | (1,578.7) | **(5,985.7)** | 7,271.1 | 3,026.1 | (1,133.5) | **9,163.7** |
| Accretion effects including CSM capitalisation | 110.8 | (3.3) | 2.3 | **109.8** | (73.2) | 0.2 | 15.7 | **(57.2)** |
| Changes in interest rates and the economic environment | (4,083.5) | (403.1) | 32.4 | **(4,454.1)** | 25,496.5 | 2,812.6 | (62.5) | **28,246.6** |
| Effect of risk mitigation | (10.7) | - | (0.0) | **(10.7)** | 441.9 | (0.2) | 0.0 | **441.6** |
| Exchange differences on finance expenses from insurance contracts issued | (0.0) | - | - | **(0.0)** | - | - | - | - |
| **Finance expenses from insurance contracts issued** | **(7,645.0)** | **(1,151.7)** | **(1,544.0)** | **(10,340.7)** | **33,136.3** | **5,838.7** | **(1,180.3)** | **37,794.7** |
| *Of which: recognised directly in equity* | (3,939.8) | (398.2) | 10.1 | **(4,327.9)** | 25,685.0 | 2,811.9 | (64.1) | **28,432.8** |
| *Of which: recognised in profit or loss* | (3,705.1) | (753.6) | (1,554.1) | **(6,012.8)** | 7,451.2 | 3,026.8 | (1,116.2) | **9,361.9** |
| Accretion effects | 190.4 | 1.5 | - | **191.9** | 16.1 | (0.0) | - | **16.1** |
| Changes in interest rates and the economic environment | 587.9 | 1.7 | - | **589.6** | (3,426.1) | (1.4) | - | **(3,427.5)** |
| Other financial effects | (248.7) | - | - | **(248.7)** | 1,131.7 | - | - | **1,131.7** |
| **Finance income or expenses from reinsurance contracts** | **529.6** | **3.2** | **-** | **532.7** | **(2,278.4)** | **(1.4)** | **-** | **(2,279.8)** |
| *Of which: recognised directly in equity* | 5.6 | (1.6) | - | **4.1** | (123.5) | 0.8 | - | **(122.7)** |
| *Of which: recognised in profit or loss* | 523.9 | 4.7 | - | **528.7** | (2,154.9) | (2.2) | - | **(2,157.1)** |
| **TOTAL FINANCE INCOME NET OF EXPENSES** | **1,309.6** | **77.0** | **247.1** | **1,633.7** | **(2,284.7)** | **(351.1)** | **44.9** | **(2,590.8)** |
| **Of which: recognised directly in equity** | **1,067.2** | **46.2** | **71.2** | **1,184.7** | (1,939.0) | (289.3) | (53.4) | **(2,281.6)** |
| **Of which: recognised directly in profit or loss** | **242.4** | **30.8** | **175.9** | **449.0** | (345.7) | (61.8) | 98.2 | **(309.2)** |

*Gains and losses on disposal of investments excluding foreign exchange gains and losses and including gains and losses on assets at fair value through other comprehensive income not reclassifiable to profit or loss.

## 12.2 Finance income and expenses by type

| *(In € millions)* | **30.06.2023** | 30.06.2022 |
|---|---|---|
| Finance revenue | 1,341.3 | 869.4 |
| Gains and losses on disposal of investments | (249.6) | (137.9) |
| Fair value adjustments through profit or loss | 4,030.8 | (9,181.8) |
| Interest calculated using the effective interest method | (57.7) | 44.0 |
| **Total income from financial assets at fair value through profit or loss** | **5,064.8** | **(8,406.3)** |
| Finance revenue | 1,874.7 | 1,702.2 |
| Impairment | 10.8 | (7.1) |
| Gains and losses on disposals | (1,001.5) | (1,193.0) |
| Fair value adjustments through OCI | 2,941.2 | (26,881.7) |
| Interest calculated using the effective interest method | (84.1) | (136.4) |
| **Total income from financial assets at fair value through OCI reclassifiable to profit or** | **3,741.2** | **(26,516.1)** |
| Finance revenue | 244.4 | 216.8 |
| Net gain or loss on derecognised financial assets at amortised cost | (2.9) | - |
| Impairment | (2.2) | (0.2) |
| Gains and losses on disposals | (47.5) | - |
| Interest calculated using the effective interest method | 3.5 | (0.1) |
| **Total income from financial assets at amortised cost** | **195.3** | **216.5** |
| Gains and losses recognised directly in equity | 470.1 | 262.7 |
| Fair value adjustments through OCI | 2,097.1 | (3,972.8) |
| Income recognised in profit or loss | 448.5 | 462.0 |
| **Total income from financial assets at fair value through OCI not reclassifiable to profit** | **3,015.8** | **(3,248.1)** |
| Finance revenue | 87.8 | 69.2 |
| Impairment | - | 0.0 |
| Gains and losses on disposals | 8.4 | 0.6 |
| Fair value adjustments through profit or loss | (95.2) | 68.6 |
| **Net income from investment property** | **1.1** | **138.4** |
| Foreign exchange gains and losses on financial assets and liabilities | (46.6) | 60.9 |
| Other investment expenses | (529.9) | (351.1) |
| **FINANCE REVENUE (IMPACT ON PROFIT AND EQUITY)** | **11,441.6** | **(38,105.7)** |

## 12.3 Finance revenue

| *(In € millions)* | 30.06.2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | Financial assets at fair value through OCI | | Financial assets at amortised cost | Investment property | Other | Total |
| | Designated as at FVTPL | Mandatory FVTPL | Debt instruments | Equity instruments | | | | |
| Profit (loss) on derivative instruments held for trading and hedging | - | - | - | - | - | - | - | **-** |
| Gains and losses on disposals | (90.3) | (159.3) | (1,001.5) | 470.1 | (47.5) | 8.4 | - | **(820.0)** |
| Interest income calculated using the effective interest method | (98.0) | 40.3 | (84.1) | - | 3.5 | - | - | **(138.2)** |
| Other interest income | | | | | | | | **-** |
| Impairment | - | - | 10.8 | - | (2.2) | - | (0.0) | **8.6** |
| Rent and other revenue | 51.0 | 1,290.3 | 1,874.7 | 448.5 | 244.4 | 87.8 | - | **3,996.8** |
| Fair value adjustments | 171.7 | 3,859.1 | 2,941.2 | 2,097.1 | - | (95.2) | - | **8,974.0** |
| Net gain or loss on derecognised financial assets at amortised cost | - | - | - | - | (2.9) | - | - | **(2.9)** |
| Other finance income and expenses | - | - | - | - | - | - | (576.5) | **(576.5)** |
| Dilution gain | | | | | | | | |
| **TOTAL FINANCE REVENUE (IMPACT ON PROFIT AND EQUITY)** | **34.4** | **5,030.4** | **3,741.2** | **3,015.8** | **195.3** | **1.1** | **(576.5)** | **11,441.6** |
| Interest on subordinated debt at amortised cost | | | | | (82.0) | | | (82.0) |
| Interest on subordinated debt at fair value | - | - | | | | | | - |
| Cash flow hedging transactions | | 10.0 | | | | | | 10.0 |
| **Total finance costs** | - | **10.0** | **-** | **-** | **(82.0)** | **-** | **-** | **(72.0)** |
| **TOTAL FINANCE INCOME NET OF FINANCE EXPENSES AND BORROWING COSTS** | **34.4** | **5,040.5** | **3,741.2** | **3,015.8** | **113.3** | **1.1** | **(576.5)** | **11,369.6** |

| *(In € millions)* | 30.06.2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | Financial assets at fair value through OCI | | Financial assets at amortised cost | Investment property | Other | Total |
| | Designated as at FVTPL | Mandatory FVTPL | Debt instruments | Equity instruments | | | | |
| Profit (loss) on derivative instruments held for trading and hedging | - | 0.0 | - | - | - | - | - | **0.0** |
| Gains and losses on disposals | (24.8) | (113.2) | (1,193.0) | 262.7 | - | 0.6 | - | **(1,067.6)** |
| Interest income calculated using the effective interest method | 36.4 | 7.6 | (136.4) | - | (0.1) | - | - | **(92.5)** |
| Other interest income | | | | | | | | - |
| Impairment | - | - | (7.1) | - | (0.2) | 0.0 | (3.8) | **(11.2)** |
| Rent and other revenue | 56.4 | 813.0 | 1,702.2 | 462.0 | 216.8 | 69.2 | - | **3,319.5** |
| Fair value adjustments | (125.4) | (9,056.3) | (26,881.7) | (3,972.8) | - | 68.6 | - | **(39,967.7)** |
| Net gain or loss on derecognised financial assets at amortised cost | - | - | - | - | - | - | - | - |
| Other finance income and expenses | - | - | - | - | - | - | (286.3) | **(286.3)** |
| Dilution gain | | | | | | | | |
| **TOTAL FINANCE REVENUE (IMPACT ON PROFIT AND EQUITY)** | **(57.4)** | **(8,348.9)** | **(26,516.1)** | **(3,248.1)** | **216.5** | **138.4** | **(290.1)** | **(38,105.7)** |
| Interest on subordinated debt at amortised cost | | | | | (72.8) | | | (72.8) |
| Interest on subordinated debt at fair value | - | - | | | | | | - |
| Cash flow hedging transactions | | 12.6 | | | | | | 12.6 |
| **Total finance costs** | - | **12.6** | **-** | **-** | **(72.8)** | **-** | **-** | **(60.2)** |
| **TOTAL FINANCE INCOME NET OF FINANCE EXPENSES AND BORROWING COSTS** | **(57.4)** | **(8,336.3)** | **(26,516.1)** | **(3,248.1)** | **143.6** | **138.4** | **(290.1)** | **(38,165.9)** |

| *(In € millions)* | **30.06.2022** | 30.06.2022 |
|---|---|---|
| **Finance revenue** | | |
| Recognised in profit or loss | 5,933.2 | (7,513.9) |
| Recognised directly in equity | 5,508.5 | (30,591.8) |
| TOTAL | **11,441.6** | **(38,105.7)** |

### *Derecognition of financial assets at amortised cost at 30 June 2023*

| *(In € millions)* | Derecognised amount at amortised cost | Net gain or loss on derecognised financial assets at amortised cost |
|---|---|---|
| Financial assets at amortised cost | 17.3 | (2.9) |

During the first half of 2023, the Group derecognised financial assets at amortised cost in an amount of €17.3 million.

### *Derecognition of financial assets at amortised cost at 30 June 2022*

| *(In € millions)* | Derecognised amount at amortised cost | Net gain or loss on derecognised financial assets at amortised cost |
|---|---|---|
| Financial assets at amortised cost | - | - |

No financial assets at amortised cost were derecognised in first-half 2022.

# Note 13 Other operating income and expenses, net

| *(In € millions)* | 30.06.2023 | 30.06.2022 |
|---|---|---|
| Income and expenses of other businesses | (5.2) | (31.5) |
| Amortisation of Value of In-Force business and value of distribution agreements | (92.1) | (92.1) |
| Employee profit-sharing | (25.3) | (25.5) |
| Non-attributable costs | (215.4) | (184.7) |
| Other recurring operating income | 46.6 | 119.0 |
| Other recurring operating expenses | (118.2) | (164.0) |
| **Other recurring operating income and expense, net** | **(409.6)** | **(378.8)** |
| Other non-recurring operating income | 9.7 | 5.9 |
| Other non-recurring operating expenses | (2.4) | (29.1) |
| **Other non-recurring operating income and expense, net** | **7.3** | **(23.2)** |
| **TOTAL** | **(402.3)** | **(402.0)** |

# Note 14 Income tax expense

**French tax group**

Since 1 January 2023, CNP Assurances SA and its consolidated subsidiaries have been members of a tax group headed by La Poste SA.
The companies in the tax group are: CNP Caution, CNP Retraite, CICOGE SA (property investment company),SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Ecureuil Vie Investment, 270 Investments, US Real Estate EVJ, US Real Estate 270, Pial 34, Passage du Faidherbe, Yellowalto, FPIP, Lyfe, Sogestop K, Foncière HID, Pierre et Surene, 23-25 Marignan, 36 Marbeuf, 46 Kleber, 46 Kleber Holding, Infra Invest France, Neuilly Pilot, Ybry pont Neuilly, Geosud, Friedensallee, Montparvie IV, Montparvie V, QIS France, SAS Le Square, Sogestop L, 201 Investments, Assuristance, Filassistance International, Filassistance Services and Filassistance Solutions.
The tax consolidation agreements with La Poste SA, valid from 1 January 2023, are currently being drawn up.

**Current and deferred taxes**

Income tax expense reported in the income statement includes both current and deferred taxes.

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. In accordance with IAS 12, a deferred tax liability is recognised for all taxable temporary differences between the carrying amount and tax base of investments in subsidiaries, associates and branches and interests in joint arrangements, except where the following conditions are met:

(a) CNP Assurances, as the parent, investor, joint venturer or joint venturer, is able to control the timing of the reversal of the temporary difference; and

(b) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax losses carried forward when it is probable that sufficient taxable profit will be available to permit their realisation with a period of five years. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

The following table discloses the main components of income tax expense.

| *(In € millions)* | 30.06.2023 | 30.06.2022 |
|---|---|---|
| Current tax | 494.5 | 343.9 |
| Deferred tax | (2.2) | (261.1) |
| INCOME TAX EXPENSE | 492.3 | 82.8 |
| Profit for the period | 1,020.8 | 517.5 |
| Tax rate | 32.54% | 13.79% |
| INCOME TAX EXPENSE | 492.3 | 82.8 |

# Note 15 Segment information

In accordance with IFRS 8, the Group's reportable business segments are based on the internal reporting system approved by the CNP Assurances Group's Executive Committee, regarded as the chief operating decision-maker as defined by IFRS 8.
The choice of geographical segmentation is based on a multi-criteria organisation linked to the Group's strategic priorities (geography, activities, networks) and the allocation of goodwill to mainly geographical cash-generating units. It has been adopted in order to present geographic segments as the Group's operating segments based on the definitions in IFRS 8 paragraphs 8 and 10.

The three geographic segments are:

- France;
- Latin America;
- Europe excluding France.

The Group's internal reporting system is based on the following indicators:

- Total revenue: net insurance revenue plus revenue from own fund portfolios, including non-controlling interests but net of reinsurance. It is the margin before deducting administrative costs.
- Non-attributable costs: general operating expenses that are not related to the management of insurance contracts, unlike attributable costs, which are included in the insurance margin.
- Earnings before interest and taxes (EBIT): attributable net profit before finance costs, income tax expense, non- controlling and equity-accounted interests, fair value adjustments and net gains (losses), and non-recurring items. It is the margin generated by the insurance business after deducting administrative costs.
- Underlying attributable profit: attributable net profit before income tax expense, non-recurring items, fair value adjustments and net gains (losses). It is the margin after finance costs and non-controlling and equity-accounted interests.

## 15.1 Income statement by business segment – First-half 2023

| *(In € millions)* | France | Latin America | Europe excl. France | Total IFRS |
|---|---|---|---|---|
| **Total revenue** | **1,186.1** | **452.3** | **177.6** | **1,816.0** |
| Non-attributable operating expenses | (149.4) | (47.3) | (25.9) | **(222.5)** |
| Intangible assets recognised on business combinations | (7.3) | (65.9) | (9.7) | **(82.8)** |
| **EBIT** | **1,029.4** | **339.2** | **142.0** | **1,510.6** |
| Income tax expense | (309.9) | (157.3) | (25.0) | **(492.3)** |
| Share of profit of equity-accounted companies | 0.4 | 2.0 | - | **2.5** |
| Non-controlling interests | 0.9 | (96.7) | (33.1) | **(128.9)** |
| Other items | - | - | - | **-** |
| **Profit attributable to owners of the parent** | 720.8 | 87.1 | 83.9 | **891.9** |

## 15.2 Income statement by business segment – First-half 2022

| *(In € millions)* | France | Latin America | Europe excl. France | Total IFRS |
|---|---|---|---|---|
| **Total revenue** | **468.2** | **421.6** | **41.2** | **931.0** |
| Non-attributable operating expenses | (111.1) | (54.0) | (19.2) | **(184.3)** |
| Intangible assets recognised on business combinations | (7.3) | (111.8) | (9.7) | **(128.8)** |
| **EBIT** | **349.9** | **255.8** | **12.3** | **617.9** |
| Income tax expense | 38.2 | (121.4) | 0.4 | **(82.8)** |
| Share of profit of equity-accounted companies | 2.1 | 13.3 | - | **15.4** |
| Non-controlling interests | (1.6) | (78.6) | (1.0) | **(81.2)** |
| Other items | (1.0) | - | (32.1) | **(33.0)** |
| **Profit attributable to owners of the parent** | **387.6** | **69.1** | **(20.4)** | **436.3** |

# OTHER INFORMATION

## Note 16 IAS 19 – Employee benefit obligations

Employee benefit obligations are recognised in full in the balance sheet in accordance with IAS 19, except for share grants which are recognised and measured in accordance with IFRS 2.

Short-term benefits are benefits that are expected to be settled in full within 12 months of the end of the annual reporting period in which the employees render the related services. They therefore consist mainly of wages, social security contributions, profit-sharing and bonuses, paid annual leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services).

Employee benefits of the CNP Assurances Group are as follows:

**Time-savings accounts and employee retirement savings plans**

A time-savings account system has been set up for CNP Assurances' employees, entitling them to save up their rights to paid leave or to monetise these rights immediately or at a future date.

Internal agreements stipulate that rights accumulated in the time-savings account may be credited to a PERCO employee retirement savings plan and qualify for a matching employer contribution.

In addition, employees whose working time is determined in days not hours may have a time credit that can be used to take time off in lieu of overtime.

**Post-employment benefits**

Post-employment benefits include:
- (a) pension plans;
- (b) other post-employment benefits.

They are classified as defined contribution or defined benefit plans based on their main terms.

**Defined benefit pension plans**

The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

Obligations under defined benefit plans and the related costs are measured by the projected unit credit method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country in which the plan has been set up.

**Pension plans in the international entities**

Several defined contribution plans and a limited number of defined benefit plans have been set up throughout the different Group entities. The obligations under these plans are not material at Group level.

**Length-of-service awards payable to employees on retirement and jubilees**

Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

**Discount rate**

The discount rate corresponds to the yield on investment grade corporate bonds that are traded in an active market (or the government bond rate if no active market exists) with maturities that match the duration of the benefit obligation.

**Accounting treatment**

Assets of funded plans are segregated and managed separately from the CNP Assurances Group's assets, and any funding surplus or deficit is recognised in the balance sheet.

Liabilities under unfunded plans are recognised in the balance sheet.

The CNP Assurances Group recognises actuarial gains and losses on post-employment defined benefit plans in equity. Actuarial gains and losses on other long-term benefits are recognised directly in profit or loss.

Actuarial losses recognised in current profit for defined-benefit plans comprise two elements:

- current service cost and past service cost;

interest cost (reflecting the unwinding of any discounting to present value) less the expected return on plan assets.

# Note 17 Application of IAS 29

Argentina has been qualified as a hyperinflationary economy since 1 July 2018.
As a result, IAS 29 "Financial Reporting in Hyperinflationary Economies", requires the financial statements of entities whose functional currency is the Argentine peso to be restated.
CNP Assurances has two subsidiaries in Argentina, CNP Assurances Compañía de Seguros and CNP SA de Capitalización, whose functional currency is the Argentine peso.
At the last annual accounts closing, the analysis of the impacts related to the application of this standard enabled the Group to ensure that its accounting policies do not need to be modified.

# Note 18 Contingent liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the CNP Assurances Group; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources.
Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

# Note 19 Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and presented in the balance sheet at their net amount when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle the net amount or to realise the asset and settle the liability simultaneously.
A financial asset and a financial liability covered by a master netting agreement or similar arrangement meeting the definition of an enforceable contract (legally enforceable right to offset securities with the same maturity against cash), which can be exercised under certain conditions but does not meet the offsetting criteria, are presented for their net amounts when they concern the same legal entity.

The tables below show the financial assets and liabilities that have been offset in the Group's consolidated balance sheet, as well as the amounts that would be offset under master netting agreements and similar arrangements but are not eligible for offsetting in the consolidated financial statements.

The net positions resulting from these various offsets do not represent a measure of the Group's exposure to counterparty risk on these financial instruments.

## 19.1 Offsetting of financial assets and liabilities – 2023

| | Gross carrying amount of financial assets | Gross carrying amount of financial liabilities offset in the financial statements | Net financial assets | Amounts not offset | | Financial instruments received as collateral | Carrying amount |
|---|---|---|---|---|---|---|---|
| *(In € millions)* | | | | Financial instruments | Collateral received | | |
| **Financial instruments at fair value through profit or loss** | **200,321.4** | **-** | **200,321.4** | **1,244.1** | **1,060.8** | **-** | **198,016.5** |
| Of which: securities borrowing transactions | 1.2 | - | 1.2 | - | - | - | 1.2 |
| Of which: derivative instruments (including hedging derivatives) | 2,304.7 | - | 2,304.7 | 1,244.1 | 1,060.8 | - | (0.2) |
| **Other assets** | **3,443.7** | **-** | **3,443.7** | **-** | **-** | **-** | **3,443.7** |
| Of which: other debtors - securities received under collateralised resale agreements | 3,443.7 | - | 3,443.7 | - | - | - | 3,443.7 |
| Of which: guarantee deposits | - | - | - | - | - | - | - |
| **Other assets not offset** | **234,423.9** | | **234,423.9** | | | | **234,423.9** |
| **TOTAL ASSETS** | **438,189.0** | **-** | **438,189.0** | **1,244.1** | **1,060.8** | **-** | **435,884.1** |

| | Gross carrying amount of financial liabilities | Gross value of financial assets offset in the financial statements | Net financial liabilities | Amounts not offset | | Financial instruments received as collateral | Carrying amount |
|---|---|---|---|---|---|---|---|
| *(In € millions)* | | | | Financial instruments | Collateral received | | |
| **Financial instruments at fair value through profit or loss** | **1,392.3** | **-** | **1,392.3** | **1,244.1** | **147.8** | **-** | **0.4** |
| Of which: derivative instruments (including hedging derivatives) | 1,392.3 | - | 1,392.3 | 1,244.1 | 147.8 | - | 0.4 |
| **Miscellaneous payables** | **18,089.5** | **-** | **18,089.5** | **-** | **-** | **-** | **18,089.5** |
| Of which: operating liabilities represented by securities | 18,089.5 | - | 18,089.5 | - | - | - | 18,089.5 |
| **Other liabilities not offset** | **392,550.6** | | **392,550.6** | | | | **392,550.6** |
| **TOTAL LIABILITIES** | **412,032.3** | **-** | **412,032.3** | **1,244.1** | **147.8** | **-** | **410,640.4** |

## 19.2 Offsetting of financial assets and liabilities – 2022

| *(In € millions)* | Gross carrying amount of financial assets | Gross carrying amount of financial liabilities offset in the financial statements | Net financial assets | Amounts not offset | | Financial instruments received as collateral | Carrying amount |
|---|---|---|---|---|---|---|---|
| | | | | Financial instruments | Collateral received | | |
| **Financial instruments at fair value through profit or loss** | **196,374.1** | **-** | **196,374.1** | **1,452.3** | **2,398.4** | **-** | **192,523.4** |
| Of which: securities held for trading | 181,925.1 | - | 181,925.1 | - | - | - | 133,993.5 |
| Of which: loans | 5,356.2 | - | 5,356.2 | - | - | - | 4,062.3 |
| Of which: securities borrowing transactions | 1.3 | - | 1.3 | - | - | - | 1.3 |
| Of which: derivative instruments (including hedging derivatives) | 3,851.3 | - | 3,851.3 | 1,452.3 | 2,398.4 | - | 0.6 |
| **Other assets** | **3,519.2** | **-** | **3,519.2** | **-** | **-** | **-** | **3,519.2** |
| Of which: other debtors - securities received under collateralised resale agreements | 3,519.2 | - | 3,519.2 | - | - | - | 3,519.2 |
| Of which: guarantee deposits | - | - | - | - | - | - | - |
| **Other assets not offset** | **229,164.5** | | **229,164.5** | | | | **229,164.5** |
| **TOTAL ASSETS** | **429,057.8** | **-** | **429,057.8** | **1,452.3** | **2,398.4** | **-** | **425,207.1** |

| (In € millions) | Gross carrying amount of financial liabilities | Gross value of financial assets offset in the financial statements | Net financial liabilities | Amounts not offset | | Financial instruments received as collateral | Carrying amount |
|---|---|---|---|---|---|---|---|
| | | | | Financial instruments | Collateral received | | |
| **Financial instruments at fair value through profit or loss** | **1,588.9** | **-** | **1,588.9** | **1,452.3** | **136.2** | **-** | **0.4** |
| Of which: derivative instruments (including hedging derivatives) | 1,588.9 | - | 1,588.9 | 1,452.3 | 136.2 | - | 0.4 |
| **Miscellaneous payables** | **20,231.7** | **-** | **20,231.7** | **-** | **-** | **-** | **20,231.7** |
| Of which: operating liabilities represented by securities | 20,231.7 | - | 20,231.7 | - | - | - | 20,231.7 |
| **Other liabilities not offset** | **381,816.9** | | **381,816.9** | | | | **381,816.9** |
| **TOTAL LIABILITIES** | **403,637.4** | **-** | **403,637.4** | **1,452.3** | **136.2** | **-** | **402,048.9** |

# FINANCIAL RISKS

## Note 20 Financial risks

### 20.1 Financial assets at amortised cost

| *(In € millions)* | Assets subject to 12-month ECL (bucket 1) | | Assets subject to lifetime ECL (bucket 2) | | Credit-impaired assets (bucket 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross value | Expected credit loss | Gross value | Expected credit loss | Gross value | Expected credit loss | Gross value (a) | Expected credit loss (b) | Net carrying amount (a)+(b) |
| **At the beginning of the period** | **92.2** | **(0.6)** | **10.2** | **(0.1)** | **16.3** | **(16.3)** | **118.8** | **(17.0)** | **101.8** |
| Transfers of assets during their lifetime from one bucket to | - | - | - | - | - | - | - | - | - |
| **Total after transfers** | **92.2** | **(0.6)** | **10.2** | **(0.1)** | **16.3** | **(16.3)** | **118.8** | **(17.0)** | **101.8** |
| Changes in gross carrying amounts and expected credit loss | - | - | - | - | - | - | - | - | - |
| New production: purchase, issuance, origination, etc. | 1,837.8 | - | - | - | - | - | 1,837.8 | - | 1,837.8 |
| Derecognition: disposal, repayment, maturity, etc. | (16.9) | - | (0.4) | - | - | - | (17.3) | - | (17.3) |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - | - |
| Translation adjustments | 6.6 | (0.0) | - | - | - | - | 6.6 | (0.0) | 6.6 |
| Other | 18.7 | (2.3) | (0.3) | 0.0 | - | - | 18.4 | (2.2) | 16.2 |
| **At the end of the period** | **1,938.5** | **(2.8)** | **9.5** | **(0.1)** | **16.3** | **(16.3)** | **1,964.3** | **(19.2)** | **1,945.1** |

## 20.2 Financial assets at fair value through OCI reclassifiable to profit or loss

| *(In € millions)* | Assets subject to 12-month ECL (bucket 1) | | Assets subject to lifetime ECL (bucket 2) | | Credit-impaired assets (bucket 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fair value | Of which: expected credit loss | Fair value | Of which: expected credit loss | Fair value | Of which: expected credit loss | Fair value (a) | Of which: expected credit loss (b) | Net fair value (a)+(b) |
| **At the beginning of the period** | **182,313.3** | **(298.4)** | **109.8** | **(0.5)** | **-** | **(1.5)** | **182,423.2** | **(300.5)** | **182,122.7** |
| Transfers of assets during their lifetime from one bucket to another | - | - | - | - | - | - | - | - | - |
| **Total after transfers** | **182,313.3** | **(298.4)** | **109.8** | **(0.5)** | **-** | **(1.5)** | **182,423.2** | **(300.5)** | **182,122.7** |
| Changes in gross carrying amounts and expected credit loss | 1,936.8 | - | 0.6 | - | - | - | 1,937.4 | - | 1,937.4 |
| New production: purchase, issuance, origination, etc. | 9,468.0 | - | 1.9 | - | - | - | 9,469.9 | - | 9,469.9 |
| Derecognition: disposal, repayment, maturity, etc. | (14,770.8) | - | (38.9) | - | - | - | (14,809.7) | - | (14,809.7) |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - | - |
| Translation adjustments | 181.8 | (3.1) | - | - | - | - | 181.8 | (3.1) | 178.7 |
| Other | (740.1) | 10.7 | (0.5) | 0.1 | - | - | (740.6) | 10.8 | (729.8) |
| **At the end of the period** | **178,389.1** | **(290.8)** | **73.0** | **(0.4)** | **-** | **(1.5)** | **178,462.0** | **(292.8)** | **178,169.2** |

## 20.3 Analysis of the bond portfolio at 30 June 2023 by issuer rating

| | 30.06.2023 | |
|---|---|---|
| *(In € millions)* | Bond portfolio at fair value | % |
| AAA | 14,175.1 | 6% |
| AA | 86,492.7 | 36% |
| A | 58,171.7 | 24% |
| BBB | 49,769.6 | 20% |
| < BBB | 30,482.4 | 13% |
| Not Rated | 3,826.7 | 2% |
| **TOTAL** | **242,918.0** | **100%** |

## 20.4 Analysis of the bond portfolio at 31 December 2022 by issuer rating

| | 31.12.2022 | |
|---|---|---|
| *(In € millions)* | Bond portfolio at fair value | % |
| AAA | 13,202.5 | 5% |
| AA | 89,121.2 | 37% |
| A | 57,077.1 | 24% |
| BBB | 50,980.1 | 21% |
| < BBB | 25,384.6 | 11% |
| Not Rated | 5,245.1 | 2% |
| **TOTAL** | **241,010.7** | **100%** |