Financial report

2024

Caisse des Dépôts
GROUPE

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Introduction

Statutes

Created by French Law of 28 April 1816[1] and defined in article L. 518-2 of the French Monetary and Financial Code (*Code monétaire et financier*), "Caisse des dépôts et consignations and its subsidiaries constitute a state-owned group at the service of France's public interest and of the country's economic development. The Group fulfils public interest functions in support of the policies pursued by the State and local authorities, and may engage in competitive activities.

Caisse des dépôts et consignations is a special institution responsible for the administration of deposits and escrow accounts, the provision of services relating to the funds whose management has been entrusted to it, and the performance of any other, similar duties that are legally delegated to it. It is responsible for the protection of the public's savings, the funding of social housing and the management of pension schemes.

Caisse des Dépôts also plays a role in local and national economic development, particularly in job creation, urban planning, tackling financial exclusion, business start-ups, and sustainable development. Caisse des dépôts et consignations is a long-term investor promoting business development in line with its own ownership interests.

It is closely supervised by the French Parliament and the legislative process.

It is organised by decree of the Conseil d'Etat (France's highest administrative court), issued upon proposal by the Supervisory Board."

Our governance

Closely supervised by the French Parliament and the legislative process, Caisse des Dépôts is the only financial institution in Europe whose independence is protected by parliament. The French Parliament exercises control over Caisse des Dépôts' activities and guarantees its autonomy via a Supervisory Board, which reports to it at least once a year on its work. The Supervisory Board, set up according to the principle of equal representation, has sixteen members, including five members of the French Parliament (three deputies and two senators), two employee representatives, one representative of the French State and eight qualified officials.

The duties of the Supervisory Board have been reinforced as part of the implementation of the 2019 French PACTE Law (Plan d'action pour la croissance et la transformation des entreprises, or Action Plan for Business Growth and Transformation). It now has deliberative power and makes decisions that must be implemented by the Chairman and Chief Executive Officer. It monitors Caisse des Dépôts' management, oversees compliance with the risk exposure limits and considers risk strategy and appetite as well as the Group's policy on equality in the workplace and equal pay. It approves the overall organisation and the consolidated and individual financial statements. Lastly, it sets risk-appropriate working capital and liquidity requirements and decides on the adoption of the Public Institution's budget. Chaired by a Member of Parliament, the Supervisory Board has internal rules of procedure and a number of specialised committees designed to strengthen its supervisory capabilities. These include the Audit and Risk Committee, the Savings Funds Committee, the Investments Committee (CDI), the Appointments and Compensation Committee, the Strategy Committee and the CSR and Ethics Committee.

The Chairman and Chief Executive Officer of Caisse des Dépôts is appointed for a term of five years by decree of the President of the French Republic, after a review before the finance committees of the French Parliament. The Chairman and Chief Executive Officer has wide-ranging powers and a large degree of independence. The Chairman and Chief Executive Officer is personally responsible for managing the funds entrusted to Caisse des Dépôts and chairs the Executive Committee, the Caisse des Dépôts Group's main governance body.

The Executive Committee brings together the Group's core businesses and decides on the Group's strategy. It monitors the Group's operating performance and ensures that its solutions are adapted to the needs of its customers, partners and users.

Business model

From an accounting perspective, the Public Institution is made up of two sectors:

- the Central Sector, whose financial statements are consolidated with the entities over which it exercises exclusive control, joint control or significant influence and whose consolidation has a material impact on the Caisse des Dépôts Group's financial statements;
- the Savings Funds sector, which prepares a separate statement of financial position and income statement.

Caisse des Dépôts self-finances all of its activities, without any help from the French State budget. A portion of the funds entrusted to it – the regulated savings of the French population and the deposits of legal professional customers – finances public interest projects through loans and equity investments. Another portion of these resources is invested in financial assets managed responsibly to ensure the liquidity and yield of the entrusted funds while helping to finance the economy. The income generated by the management of its financial assets and strategic investments contributes to the financing of its public interest projects.

In terms of apportioning funding, part of the income earned from the Public Institution's Central Sector is used to constitute the funds essential to maintaining its financial strength and the Group's development capacity. Another portion is funnelled into public interest investments that Caisse des Dépôts makes in

(1) *Article L. 518-2, version in force since 6 August 2008, amended by French Law no. 2008-776 of 4 August 2008 – article 151 (V).*

sectors and regions that are insufficiently covered by the market, with a medium- or even long-term profitability timeline. Finally, a portion of income earned is paid to the French State in addition to the contribution representing corporation tax, calculated very precisely on the same bases as those applied to companies, making Caisse des Dépôts one of the largest public contributors.

At the heart of the duties entrusted by law to Caisse des Dépôts, the Savings Funds centralises and manages a portion – approximately 60% – of the French population's regulated savings *(Livret A*, *Livret de développement durable et solidaire* – LDDS, and *Livret d'épargne populaire* – LEP) which it transforms into very long-term loans of up to 80 years. These are used to finance public interest projects whose framework is set by the public authorities, prioritising social housing, urban policy and local authority projects. This mechanism for transforming savings, at no cost to the taxpayer, makes it possible to carry out very significant public financing, which supports the work of the French State and local authorities. It also guarantees perfect equity, with each category of loan being offered at the same interest rate to all borrowers, regardless of their characteristics.

Caisse des Dépôts also performs specific mandates on behalf of third parties, the French State and supervisory authorities. These strategic mandates concern pensions, disability, professional training, as well as the “France 2030” programme (formerly the Investments for the Future Plan, or PIA).

Strategy

The commitment of Caisse des Dépôts and its subsidiaries to social responsibility is at the heart of its corporate mission: "As a unique alliance of public and private economic players, the Caisse des Dépôts Group works to accelerate the green transformation and help create a better life for all.”

Faithful to this commitment and to its values (a trusted long-term player serving the public interest), the Group has set itself three objectives for the coming years:

- accelerate the ecological transformation of our economy;
- strengthen France's sovereignty (in energy, industry, digital technology and finance) and encourage its growth and economic development;
- work towards social and regional cohesion by fostering balanced regional development and supporting French people throughout their lives.

As a long-term investor serving the public interest, the sustainable policy is rooted in all of the Group's decision-making processes: from the most operational (such as the selection of projects) to the most strategic, such as the definition of the Strategic Plan approved by the Executive Committee and the Supervisory Board. It combines two approaches: the integration of the United Nations' Sustainable Development Goals (SDGs) into our strategic management and the management of non-financial risks.

Organisation

To structure its missions and actions, directly or in support of public policies, Caisse des Dépôts is today organised into four business lines and two strategic partners:

Banque des Territoires supports regions and their stakeholders by offering solutions tailored to local challenges, including advisory, loans and equity investments. With its network of sixteen regional offices and two subsidiaries, CDC Habitat and SCET, it offers a comprehensive range of engineering and project structuring services across all regions. It is aimed at local authorities, social housing organisations, local public companies, legal professions, businesses and financial players with the aim of working towards greener, more socially responsible regions.

Caisse des Dépôts' Social Policy division supports people throughout their lives. It contributes to social cohesion and reducing regional divisions by working mainly in five areas: pensions, vocational training, disability, old age and health. The Social Policy division is the partner of choice for 63,000 public employers and provides financial management for more than 70 funds.

The **Asset Management** division manages all of Caisse des Dépôts' financial investments, carried on the balance sheets of the Savings Funds and the Central Sector. As the leading public asset manager with over €300 billion in assets under management at 31 December 2024, the Asset Management division makes long-term, responsible investments in all asset classes (bonds, equities, unlisted companies, real estate, forests, etc.), directly or through its subsidiaries:

- **CDC Croissance**, an equity fund manager supporting the growth of small and medium-sized enterprises over the long term;
- **Société Forestière**, an asset management company that offers sustainable management of its clients' privately owned forest assets;
- **CDC Investissement Immobilier**, which manages Caisse des Dépôts' real estate investment portfolio.

The **Strategic Investment** division is in charge of acquisitions and disposals as well as shareholder management for some 20 companies in which Caisse des Dépôts is the reference shareholder. It also helps to define Caisse des Dépôts' share ownership position and to provide strategic and financial support to its subsidiaries, while coordinating priorities between the Group and its subsidiaries. As at 31 December 2024, Caisse des Dépôts' main strategic investments were as follows:

- **Financial institutions**: Bpifrance, La Poste Groupe (through La Banque Postale group), SFIL, Société Forestière, Euronext, Euroclear;
- **Real estate:** CDC Habitat, Icade and Tonus Territoires;
- **Infrastructure**: Compagnie des Alpes, Coriance, Transdev, RTE, GRTGaz, STOA and Suez;
- **Services**: La Poste Groupe, emeis, Egis, CDC Biodiversité, SCET, Arpavie, Novethic, I4CE, La Manufacture, and Société d’exploitation du Théâtre des Champs-Élysées.

Our two strategic partners are Bpifrance and La Poste group.

Bpifrance is a public investment bank owned by Caisse des Dépôts and the French State. Its purpose is to boost the French economy and make it more competitive through support for public policy. It finances companies at each stage of their development, through loans, guarantees and equity. As a trusted partner of entrepreneurs, it provides advice, training, networking and an acceleration programme for starts-ups and small and medium-sized companies.

Consolidated by the Caisse des Dépôts Group since March 2020, La Poste group supports all French people by offering useful services adapted to their needs. Through its four public-service missions (delivering mail six days a week, ensuring banking accessibility, contributing to regional planning through its postal footprint, and transporting and delivering press titles), La Poste supports the major ecological, regional, demographic and digital transformations that are impacting society and seeks to provide its retail and business customers alike with close, trust-based support.

2024 economic and financial environment

Economy

In 2024, the global economy saw further bullish activity in the United States, and a more modest environment in Europe, with labour markets nonetheless showing some resilience. This played out against the backdrop of loosening monetary policy in response to the significantly lower inflationary pressure. In France, GDP growth was 1.1% in 2024, as in 2023.

At the same time, the downward trend in inflation became more pronounced and was observed across all sectors (energy, food, manufactured goods), albeit later and to a lesser extent for services, which remain an area of interest due to some ongoing tension on the labour market, which fuelled wage dynamics. In France, inflation fell from 3.1% in January to 1.3% in December, with an annual average of 2.0% in 2024, compared with 4.9% in 2023.

Financial markets

2024 marked a shift in the monetary and financial environment, with the American Federal Reserve (Fed) and the European Central Bank (ECB) beginning a cycle of rate cuts in response to easing inflation. Benchmark rates were lowered by 100 basis points on both sides of the Atlantic, though the prospects for further monetary loosening remain more pronounced in the eurozone than in the United States, where the election of Donald Trump at the end of the year led investors to revise their inflation expectations upwards, given the still high GDP growth rate and the resilient labour market. As a result, market prices have evolved:

- **on the money market**, the status quo was maintained for benchmark interest rates at the beginning of the year, before an initial 25-bp easing by the ECB in June, followed by three similar cuts in September, October and December, bringing the deposit rate down to 3.0%. The Fed, while more patient, announced a 50-bp cut in September, followed by two 25-bp cuts in November and December, with the federal funds rate at [between 4.25% and 4.50%] at the end of the year. Following the movements in key policy rates, the three-month Euribor ended 2024 at 2.7%, significantly lower than the 3.9% at the end of 2023;
- **on the French bond market,** 2024 was mainly marked by the widening of the sovereign risk premium compared with German bonds, in connection with sustained political uncertainty since the dissolution of the French National Assembly in June. The unexpected upward inflections in the budget deficit in the second half of the year added to pressures on the French government's financing conditions. As a result, the ten-year French OAT closed out 2024 at 3.2%, up 64 bps compared to its end-2023 level (2.6%), and with a yield spread over Germany at more than 80 bps – almost double its lowest level observed at the start of the year (43 bps);
- **on the equity markets,** it was a particularly eventful year for the CAC 40. Initially, like foreign indices, the CAC 40 benefited from overly optimistic expectations concerning Fed and ECB rate cuts, rising to over 8,200 pts mid-May. Subsequently, rising domestic political uncertainty and the first signs of a macroeconomic slowdown in Europe and Asia led to diminished trust in French stocks and a fall in the CAC 40 relative to the world's main equity indices. Finally, Donald Trump's re-election in the United States and the possibility of new tariffs (particularly on luxury goods) put further downward pressure on the index at the end of the year. The CAC 40 index ended 2024 at 7,381 pts, down 2.2% from 7,543 points at end-2023. In the United States, 2024 saw a significant rise in equity indices, with the S&P 500 up by 23%, driven by significant investor interest in large AI stocks.

Change in stock market indices	2021	2022	2023	2024	2024 Q1	2024 Q2	2024 Q3	2024 Q4
France	+28.9%	-9.5%	16.5%	-2.2%	8.8%	-8.9%	2.1%	-3.3%
Germany	+15.8%	-12.3%	20.3%	18.8%	10.4%	-1.4%	6.0%	3.0%
Spain	+7.9%	-5.6%	22.8%	14.8%	9.6%	-1.2%	8.5%	-2.4%
Italy	+23.0%	-13.3%	28.0%	12.6%	14.5%	-4.6%	2.9%	0.2%
Portugal	+13.7%	+2.8%	11.7%	-0.3%	-1.8%	3.2%	4.8%	-6.1%
United Kingdom	+14.3%	0.9%	3.8%	5.7%	2.8%	2.7%	0.9%	-0.8%
United States	+26.9%	-19.4%	24.2%	23.3%	10.2%	3.9%	5.5%	2.1%
Japan	+4.9%	-9.4%	28.2%	19.2%	20.6%	-1.9%	-4.2%	5.2%
Hong Kong	-14.1%	-15.5%	-13.8%	17.7%	-3.0%	7.1%	19.3%	-5.1%
Brazil	-11.9%	4.7%	22.3%	-10.4%	-4.5%	-3.3%	6.4%	-8.7%
Mexico	+20.9%	-9.0%	18.4%	-13.7%	0.0%	-8.6%	0.1%	-5.6%

Source: Bloomberg.

Key figures

Caisse des Dépôts Group

(in billions of euros)	2023	2024
Total consolidated assets	1,039.6	1034.4
Equity attributable to owners (excluding unrealised gains and losses)	39.3	41.7
Equity attributable to owners (including unrealised gains and losses)	49.3	50.3
Consolidated net profit attributable to owners	3.0	3.0

Savings Funds

(in billions of euros)	2023	2024
Total loans agreed	16.0	28.1
Loans for social housing and urban planning	12.5	20.8
Loans to regional authorities	3.5	5.2
Loan to Bpifrance	0	0
Refinancing for new ecological and energy transition loans	N/A	2.2
Outstanding loans	201.9	218.8

Caisse des Dépôts long-term and short-term ratings

Credit rating agencies consider Caisse des Dépôts to be a state agency, and thus that it carries the same rating as the Republic of France. The following table lists Caisse des Dépôts' long-term and short-term ratings at 31 December 2024:

Ratings	Standard & Poor's	Moody's	Fitch
Caisse des Dépôts	AA-/A-1+	Aa3/P-1	AA-/F1+
EMTN & BMTN Programmes	AA-	Aa3	AA-
CD Programme	A-1+	P-1	F1+
Global CP Programme	A-1+	P-1	F1+

Investor relations:

Short-term financing: CDC.TREASURY@caissedesdepots.fr

Long-term financing: EMTN-CDC@caissedesdepots.fr

Audit of the financial statements

In compliance with article L. 518-15-1 of the French Monetary and Financial Code:

“Each year, Caisse des dépôts et consignations shall present its company and consolidated financial statements, audited by two statutory auditors, to the Finance Committees of the National Assembly and the Senate.”

Caisse des Dépôts Group

Consolidated financial statements

at 31 December 2024

reviewed and adopted by the interim Chief Executive Officer of Caisse des Dépôts on 28 February 2025

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1. Consolidated financial statements

1.1 Caisse des Dépôts Group significant events

1.1.1 Sustainability bond issue

On 25 April 2024, Caisse des Dépôts launched a €1 billion 5-year 3% sustainability bond issue, corresponding to a spread of +16 basis points above the OAT 25 May 2029. This issue, the eighth ESG issue carried out by Caisse des Dépôts since 2017, enabled the Group to strengthen its presence on the capital markets, as well as its ESG signature at the heart of its global strategy.

1.1.2 Digitally native notes issue

On 7 November 2024, Caisse des Dépôts completed its first issuance of digitally native notes due 7 November 2034 for an amount of €100 million. The notes are admitted to trading on the Euronext Paris regulated market and are rated AA- by S&P.

1.1.3 Verkor

On 25 May 2024, Banque des Territoires committed to providing €150 million in quasi-equity to finance the construction of the Verkor low-carbon battery gigafactory in Dunkirk in northern France, in support of the country's industrial renewal and ecological transformation.

1.1.4 Euronext N.V.

Caisse des Dépôts is intent on maintaining a stable European investor base for Euronext and firmly anchoring this strategic market infrastructure platform in Europe providing access to finance for companies worldwide. As a core shareholder, it is committed to supporting Euronext's development over the long term. On 8 March 2024, Caisse des Dépôts acquired 0.5% of Euronext's capital from Euroclear for €44 million, raising its total interest in Euronext to 8.04% for a total investment of €409 million. The investment is recognised within "Investments in equity-accounted companies" in the consolidated financial statements.

1.1.5 emeis

On 16 January 2024, emeis (formerly Orpéa) launched a third share issue of around €390 million with pre-emptive rights for existing shareholders. The members of the consortium comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF took up their €195.7 million share of this issue and, consequently, in February 2024, Caisse des Dépôts' Central Sector purchased new shares for €87.4 million and CNP Assurances for €21.7 million.

1.1.6 Sicovam Holding

During the second half of 2024, Caisse des Dépôts increased its interest in Sicovam Holding, first shareholder of Euroclear, acquiring a further 24% of the capital for €270 million. As of 31 December 2024, Caisse des Dépôts held 33.65% of Sicovam's capital. The investment is recognised within "Investments in equity-accounted companies" in the consolidated financial statements.

1.1.7 Transdev

On 16 December 2024, Caisse des Dépôts announced that it had accepted the Rethmann group's bid to become Transdev's majority shareholder, leading the two parties to enter into exclusive negotiations with a view to Rethmann acquiring a 32% stake in Transdev. On completion of the transactions, Rethmann France (S.A.S) would become the majority shareholder of Transdev with 66% of the capital, alongside Caisse des Dépôts, which would retain 34% of the capital, underlining the importance of France as Transdev's largest market. Final acceptance of the offer submitted by the Rethmann group would take place at the end of the information and consultation procedure with the Transdev group's employee representative bodies. The transaction would then be completed during 2025, subject to the approval of the relevant administrative and regulatory authorities.

This transaction would confirm the long-term engagement of Caisse des Dépôts and the Rethmann group, while also ensuring continuity of ownership for Transdev. The current management team would remain at the helm, providing the stability needed to support Transdev's continued strategic development, both in France and internationally.

At 31 December 2024, the Transdev group's assets and liabilities were presented in "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale". No losses were recorded as a result.

1.1.8 Acquisition of the Urban group by Compagnie des Alpes

On 13 June 2024, Compagnie des Alpes announced that it had signed and completed the acquisition of 83.02% of the capital of Soccer 5 France SAS, parent company of the Urban group, number one in 5-a-side football and joint number one in padel in France. Following the acquisition of additional shares, Compagnie des Alpes will ultimately hold 86.46% of the capital of the Urban group's parent company. The Urban group operates 35 centres in France and one in Portugal, representing a total of 270 5-a-side pitches. It is also developing a padel business and currently has 100 dedicated courts in its centres.

1.1.9 La Poste group

1.1.9.1 La Poste bond issues

In 2024, Groupe La Poste carried out several bond issues meeting the criteria for classification as debt instruments under IFRS 9 and IAS 32.

On 29 January 2024, La Banque Postale Home Loan SFH carried out a €750 million green covered bond issue, the proceeds of which will be used to finance green loans. The 3.125% bonds are due in 2034.

On 17 June 2024, La Banque Postale issued €750 million worth of 3.75% bonds due August 2034.

On 1 October 2024, La Banque Postale issued €500 million worth of 3.5% bonds due April 2031.

On 7 November 2024, La Banque Postale Home Loan SFH carried out a €1 billion social covered bond issue. The 6-year bonds pay interest at 2.75%.

On 10 July 2024, CNP Assurances issued €500 million worth of 30-year subordinated notes paying interest at 4.875% until July 2034 and callable at the issuer's option after 9.5 years.

On 18 November 2024, ahead of term, CNP Assurances retired €500 million worth of 4.25% perpetual subordinated notes issued in November 2014.

1.1.9.2 Disposal of La Poste Telecom

On 15 November 2024, Groupe La Poste completed the sale of its 51% stake in La Poste Telecom to Bouygues Telecom. The disposal proceeds totalled €496 million and the consolidated disposal gain, net of transaction costs, amounted to €513 million before tax. Two new framework service and brand licensing agreements have been signed, providing for the continued payment to La Poste of a volume-based fee (with a guaranteed minimum) for the marketing of La Poste Mobile services in the post office network.

1.1.9.3 Disposal of CNP Cyprus Insurance Holdings

On 9 July 2024, CNP Assurances signed an agreement with Hellenic Bank Public Company Ltd for the sale of its subsidiary CNP Cyprus Insurance Holdings. The sale was agreed at a price of €182 million. Completion of the transaction is subject to various conditions precedent, including the requisite regulatory authorisations. Subject to these authorisations being obtained, the transaction is expected to be completed in the first quarter of 2025.

The proposed sale of the shareholdings, which were previously fully consolidated, fulfils the criteria for the application of IFRS 5. In accordance with this standard, its assets and liabilities are presented in "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale" in the consolidated statement of financial position at 31 December 2024, and the impairment loss related to the transaction is presented in "Gains and losses on other assets" for an amount of €27 million.

1.1.9.4 Exclusive distribution agreement between CNP Assurances and Banco de Brasilia

On 1 July 2024, CNP Assurances' two Brazilian subsidiaries, CNP Consórcio and CNP Capitalização, signed an agreement for the exclusive distribution of certain products in the network of Banco de Brasilia (BRB), the main financial institution in the Federal District of Brasília. Under the terms of the agreement, CNP Consórcio's *consórcio* products and CNP Capitalização's savings products will be distributed exclusively by BRB to its 7.8 million customers for a period of 20 years.

The agreement is subject to the usual conditions precedent, including approval by the Brazilian competition authority.

The payment relating to the agreement represents an estimated R$150 million (approximately €25 million). Of this amount, R$100 million will be payable on inception of the agreement and the R$50 million balance will be payable in two instalments (R$20 million in year 3 and R$30 million in year 5), subject to the achievement of agreed sales targets.

1.1.9.5 Planned disposal of CNP UniCredit Vita

On 24 September 2024, UniCredit informed CNP Assurances of its intention to exercise its call option on CNP Assurances' entire 51% interest in their Italian joint venture, CNP UniCredit Vita. This option is exercisable pursuant to the terms and conditions of their current shareholders' agreement, and completion of the proposed transaction is subject to obtaining the customary regulatory authorisations.

The proposed sale of the shareholdings, which were previously fully consolidated, fulfils the criteria for the application of IFRS 5. In accordance with this standard, its assets and liabilities are presented in "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale" in the consolidated statement of financial position at 31 December 2024. No losses were recorded as a result.

1.1.9.6 Creation by CNP Assurances and La Mutuelle Générale of a major new player in social protection

On 31 December 2024, CNP Assurances Holding and La Mutuelle Générale announced the creation of CNP Assurances Protection Sociale, a French *société anonyme* (limited company) that is 65%-owned by CNP Assurances Holding and 35%-owned by La Mutuelle Générale. The 1,300 employees of La Mutuelle Générale have all been transferred to the new company, along with its health and personal protection insurance activities and portfolios (excluding statutory contracts and mutual insurance activities) and its information systems. Negative goodwill on the transaction was recognised directly in the 2024 income statement, on the line "Changes in value of goodwill" for €146 million.

1.2 Subsequent events

There were no other significant subsequent events likely to have a material impact on the financial statements and results of the Caisse des Dépôts Group at 31 December 2024.

1.3 Consolidated income statement, year ended 31 December 2024

(in millions of euros)	Notes	31.12.2024	31.12.2023[(2)]
Interest income	2.2.1	19,072	19,601
Interest expense	2.2.1	(13,956)	(13,290)
Fee and commission income	2.2.2	2,689	2,323
Fee and commission expense	2.2.2	(367)	(326)
Net gains and losses on financial instruments at fair value through profit or loss	2.2.3	11,694	10,890
Net gains and losses on financial instruments at fair value through other comprehensive income[(1)]	2.2.4	208	(1,718)
Net gains and losses resulting from derecognition of financial assets at amortised cost	2.2.5	(15)	8
Insurance revenue	2.4.1	11,819	11,685
Insurance service expenses	2.4.2	(8,797)	(8,438)
Income and expenses from reinsurance contracts held	2.4.3	(100)	(106)
Finance income or expenses from insurance contracts issued	2.4.4	(13,001)	(11,352)
Finance income or expenses from reinsurance contracts held	2.4.4	98	888
Cost of credit risk on financial investments of the insurance activities	2.2.9	(5)	4
Income from other activities	2.2.6	43,729	42,450
Expenses from other activities	2.2.6	(7,450)	(8,022)
Net banking income		**45,618**	**44,597**
General operating expenses	2.2.7	(38,448)	(37,686)
Net depreciation, amortisation and impairment of property, equipment and intangible assets	2.2.8	(3,490)	(3,508)
Gross operating profit (loss)		**3,680**	**3,403**
Cost of credit risk	2.2.9	(481)	(262)
Operating profit (loss)		**3,199**	**3,141**
Share of profit (loss) of equity-accounted companies[(1)]	2.3.10	925	764
Net gains and losses on other assets	2.2.10	425	66
Change in value of goodwill	2.3.12	98	(49)
Profit (loss) before tax		**4,647**	**3,922**
Income tax benefit (expense)	2.2.11	(897)	(1,097)
Net profit (loss) from discontinued operations		1	1,393
Net profit (loss)		**3,751**	**4,218**
Non-controlling interests	2.3.18	(705)	(1,240)
Net profit (loss) attributable to owners		**3,046**	**2,978**

(1) The increase in Caisse des Dépôts' stake in Euronext N.V. in March 2024 and renewal of its shareholders' agreement in April 2024 led to a review of the accounting treatment of this investment in the consolidated financial statements of Caisse des Dépôts Group. The review led to the conclusion that Caisse des Dépôts has exercised significant influence over Euronext N.V. since June 2019 and that this company should therefore have been accounted for by the equity method. The revised accounting treatment led to a €21 million increase in 2023 net profit, with the €17 million decrease in "Net gains and losses on financial instruments at fair value through other comprehensive income" offset by the Group's €38 million share of Euronext N.V.'s profit recorded under "Share of profit of equity-accounted companies.

(2) A net gain of €764 million reported in 2023 was reclassified as an increase in "Net gains and losses on financial instruments at fair value through profit or loss" with a corresponding reduction in "Interest income" in the income statement.

1.4 Consolidated statement of comprehensive income, year ended 31 December 2024

(in millions of euros)	31.12.2024	31.12.2023
Net profit (loss)[1]	**3,751**	**4,218**
Items not to be reclassified to profit or loss		
Actuarial gains and losses on post-employment defined benefit obligations	(9)	(50)
Changes in credit risk for financial liabilities designated at fair value through profit or loss using the fair value option	25	(7)
Fair value adjustments to direct participating insurance contracts through OCI that will not be reclassified to profit or loss		
Changes in fair value of equity instruments recognised at fair value through OCI that will not be reclassified to profit or loss[1]	836	4,637
Gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through OCI that will not be reclassified to profit or loss		1
Share of other comprehensive income (loss) of equity-accounted companies	(1,059)	1,074
Total items not to be reclassified to profit or loss[1]	**(207)**	**5,655**
Items to be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,076)	260
Changes in fair value of financial assets at fair value through OCI that may be reclassified to profit or loss	415	8,417
Gains and losses on hedging instruments	(68)	(85)
Fair value adjustments to insurance contracts through OCI that may be reclassified to profit or loss	(403)	(9,196)
Fair value adjustments to reinsurance contracts through OCI that may be reclassified to profit or loss	29	7
Other items recognised in equity to be reclassified to profit or loss	(20)	(9)
Share of other comprehensive income (loss) of equity-accounted companies	68	42
Total items to be reclassified to profit or loss[1]	**(1,055)**	**(564)**
Other comprehensive income (loss)[1]	**(1,262)**	**5,091**
Total comprehensive income (loss)[1]	**2,488**	**9,309**
Attributable to owners	2,461	7,569
Non-controlling interests	27	1,740

(1) The increase in Caisse des Dépôts' stake in Euronext N.V. in March 2024 and renewal of its shareholders' agreement in April 2024 led to a review of the accounting treatment of this investment in the consolidated financial statements of Caisse des Dépôts Group. The review led to the conclusion that Caisse des Dépôts has exercised significant influence over Euronext N.V. since June 2019 and that this company should therefore have been accounted for by the equity method. The revised accounting treatment led to a €21 million increase in 2023 net profit and a €51 million decrease in "Total comprehensive income" and "Equity attributable to owners".

1.5 Consolidated statement of financial position, at 31 December 2024

(in millions of euros)	Notes	31.12.2024	31.12.2023
ASSETS			
Cash and amounts due from central banks		29,875	44,193
Financial assets at fair value through profit or loss	2.3.1	222,689	237,304
Hedging instruments with a positive fair value	2.3.2	3,795	3,428
Financial assets at fair value through other comprehensive income(1)	2.3.3	256,468	249,184
Securities at amortised cost	2.3.4	88,596	87,085
Loans and receivables due from credit institutions and related entities at amortised cost	2.3.5	105,055	112,271
Loans and receivables due from customers at amortised cost	2.3.6	197,306	190,621
Cumulative fair value adjustments to portfolios hedged against interest rate risk		(740)	(1,396)
Insurance contract assets	2.4.5	917	1,343
Reinsurance contract assets	2.4.5	6,523	8,891
Current and deferred tax assets	2.3.7	3,033	3,821
Prepayments, accrued income and other assets	2.3.8	20,567	23,896
Non-current assets held for sale and discontinued operations	2.3.9	25,603	1,229
Investments in equity-accounted companies(1)	2.3.10	27,951	27,991
Investment property	2.3.11	24,386	24,021
Owner-occupied property and equipment	2.3.11	13,878	15,916
Intangible assets	2.3.11	6,047	6,631
Goodwill	2.3.12	2,467	3,207
TOTAL ASSETS		**1,034,416**	**1,039,636**

(1) The increase in Caisse des Dépôts' stake in Euronext N.V. in March 2024 and renewal of its shareholders' agreement in April 2024 led to a review of the accounting treatment of this investment in the consolidated financial statements of Caisse des Dépôts Group. The review led to the conclusion that Caisse des Dépôts has exercised significant influence over Euronext N.V. since June 2019 and that this company should therefore have been accounted for by the equity method. The revised accounting treatment led to a €460 million increase in "Investments in equity-accounted companies" at 31 December 2023. In the published consolidated statement of financial position at 31 December 2023, the investment in Euronext N.V. was included in "Financial assets at fair value through OCI not to be reclassified to profit or loss" in the amount of €617 million.

(in millions of euros)	Notes	31.12.2024	31.12.2023
LIABILITIES AND EQUITY			
Due to central banks			
Financial liabilities at fair value through profit or loss	2.3.1	18,239	14,400
Hedging instruments with a negative fair value	2.3.2	7,457	8,710
Debt securities	2.3.13	148,175	145,871
Due to credit institutions	2.3.14	50,944	54,314
Due to customers	2.3.15	304,414	316,199
Cumulative fair value adjustments to portfolios hedged against interest rate risk		(689)	(1,312)
Current and deferred tax liabilities (1)	2.3.7	4,959	5,616
Accrued expenses, deferred income and other liabilities	2.3.8	25,754	31,321
Liabilities related to non-current assets held for sale and discontinued operations	2.3.9	22,588	65
Insurance contract liabilities	2.4.5	366,771	378,430
Reinsurance contract liabilities	2.4.5	13	55
Provisions	2.3.17	5,182	5,980
Subordinated debt		10,054	9,484
Equity attributable to owners			
Reserves and retained earnings (1)		41,669	39,263
Other comprehensive income(1)		8,673	10,068
Profit (loss) for the period (1)		3,046	2,978
Total equity attributable to owners		**53,388**	**52,309**
Non-controlling interests	2.3.18	17,167	18,194
Total equity		**70,555**	**70,503**
TOTAL LIABILITIES AND EQUITY		**1,034,416**	**1,039,636**

(1) The increase in Caisse des Dépôts' stake in Euronext N.V. in March 2024 and renewal of its shareholders' agreement in April 2024 led to a review of the accounting treatment of this investment in the consolidated financial statements of Caisse des Dépôts Group. The review led to the conclusion that Caisse des Dépôts has exercised significant influence over Euronext N.V. since June 2019 and that this company should therefore have been accounted for by the equity method. The revised accounting treatment led to a €9 million decrease in "Current and deferred tax liabilities" and a €148 million decrease in "Total equity attributable to owners" at 31 December 2023.

1.6 Consolidated statement of changes in equity

		Other comprehensive income to be reclassified to the income statement			
(in millions of euros)	Reserves and retained earnings	Cumulative changes in fair value of debt instruments recognised at fair value through other comprehensive income	Cumulative changes in fair value of hedging instruments	Translation reserves	Insurance and reinsurance fair value reserves
Equity at 1 January 2023	**36,684**	**(18,292)**	**28**	**(72)**	**16,307**
Change of accounting treatment of Euronext N.V. (1)	75				
Corrected equity at 1 January 2023	**36,759**	**(18,292)**	**28**	**(72)**	**16,307**
Appropriation of 2022 profit (loss)	3,164				
Balance of the 2022 dividend paid to the French State	(640)				
Interim dividend paid to the French State calculated on the basis of first-half 2023 results	(887)				
Dividend paid to non-controlling interests					
Non-controlling interest put options	20				
Effect of acquisitions and disposals on non-controlling interests	(5)	3	3	(10)	
Other movements	(135)	(15)	(14)	7	(52)
Profit (loss) for the period					
Other comprehensive income					
Exchange differences on translation of foreign operations				(5)	
Changes in fair value of financial instruments at fair value through other comprehensive income	986	3,496	28		(5,990)
Changes in credit risk on financial liabilities at fair value through profit or loss					
Changes in fair value of financial instruments reclassified to the income statement		1,959	7		
Other movements in other comprehensive income					
Corrected equity at 31 December 2023	**39,262**	**(12,849)**	**52**	**(80)**	**10,265**
Appropriation of 2023 profit (loss)	2,978				
Balance of the 2023 dividend paid to the French State	(591)				
Interim dividend paid to the French State calculated on the basis of first-half 2024 results	(779)				
Dividend paid to non-controlling interests					
Non-controlling interest put options	(12)				
Effect of acquisitions and disposals on non-controlling interests	(34)				
Other movements(2)	(8)	57	5	(10)	(55)
Profit (loss) for the period					
Other comprehensive income					
Exchange differences on translation of foreign operations				(263)	
Changes in fair value of financial instruments at fair value through other comprehensive income	853	(502)	(2)		(229)
Changes in credit risk on financial liabilities at fair value through profit or loss					
Changes in fair value of financial instruments reclassified to the income statement		756	(47)		
Other movements in other comprehensive income					
EQUITY AT 31 DECEMBER 2024	**41,669**	**(12,538)**	**8**	**(353)**	**9,981**

(1) The increase in Caisse des Dépôts' stake in Euronext N.V. in March 2024 and renewal of its shareholders' agreement in April 2024 led to a review of the accounting treatment of this investment in the consolidated financial statements of Caisse des Dépôts Group. The review led to the conclusion that Caisse des Dépôts has exercised significant influence over Euronext N.V. since June 2019 and that this company should therefore have been accounted for by the equity method. The revised accounting treatment led to a €97 million reduction in equity attributable to owners at 1 January 2023.

(2) The change in non-controlling interests includes a decrease of €555 million relating to the retirement of perpetual deeply-subordinated notes by CNP Assurances.

Other comprehensive income not to be reclassified to the income statement									
Changes in credit risk on financial liabilities at fair value through profit or loss	Changes in value of actuarial gains and losses	Cumulative changes in fair value of equity instruments at fair value through other comprehensive income	Net profit (loss) attributable to owners	**Equity attributable to owners**	Retained earnings – non-controlling interests	Non-controlling interests in other comprehensive income (loss)	Non-controlling interests in profit (loss)	**Non-controlling interests**	**Total equity**
	(183)	**8,925**	**3,164**	**46,561**	**17,264**	**(264)**	**1,053**	**18,053**	**64,614**
		(172)		(97)					(97)
	(183)	**8,753**	**3,164**	**46,464**	**17,264**	**(264)**	**1,053**	**18,053**	**64,517**
			(3,164)		1,053		(1,053)		
				(640)					(640)
				(887)					(887)
					(931)			(931)	(931)
				20	8			8	28
				(9)	(77)	7		(70)	(79)
(3)		4		(208)	(532)	(73)		(605)	(813)
			2,978	2,978			1,240	1,240	4,218
				(5)		197		197	192
		4,163		2,684	159	(906)		(747)	1,937
(6)				(6)					(6)
				1,966		1,066		1,066	3,032
	(48)			(48)		(17)		(17)	(65)
(9)	**(231)**	**12,920**	**2,978**	**52,309**	**16,944**	**10**	**1,240**	**18,194**	**70,503**
			(2,978)		1,240		(1,240)		
				(591)					(591)
				(779)					(779)
					(690)			(690)	(690)
				(12)	(108)			(108)	(120)
		3		(31)	(10)	(7)		(17)	(48)
(1)		42		30	(214)	(27)		(241)	(211)
			3,046	3,046			705	705	3,751
				(263)		(730)		(730)	(993)
		(1,262)		(1,142)	134	(467)		(333)	(1,475)
22				22		3		3	25
				709		384		384	1,093
	90			90					90
12	**(141)**	**11,703**	**3,046**	**53,388**	**17,296**	**(834)**	**705**	**17,167**	**70,555**

1.7 Consolidated statement of cash flows

The statement of cash flows is prepared using the indirect method. Investing activities correspond to purchases and sales of interests in consolidated companies, property and equipment and intangible assets.

Financing activities are activities that result in changes in the size and composition of equity, subordinated debt and bond debt. Operating activities correspond to all cash flows that do not fall within the above two categories.

(in millions of euros)	31.12.2024	31.12.2023[1]
Profit (loss) before tax (excluding discontinued operations)	**4,647**	**3,922**
Net depreciation, amortisation and impairment of property and equipment and intangible assets	3,490	2,907
Impairment losses on goodwill and other non-current assets	197	650
Net provision expense and impairment losses	333	(349)
Changes in insurance and reinsurance assets/liabilities (including financial liabilities)	5,400	3,166
Share of profit (loss) of equity-accounted companies	(926)	(764)
Net gains/losses from investing activities	3,157	634
Other movements	(9,266)	(2,092)
Total non-monetary items included in profit (loss) before tax and other adjustments	**2,386**	**4,152**
Cash flows relating to transactions with credit institutions	(9,964)	(8,850)
Cash flows relating to customer transactions	(22,728)	3,055
Cash flows relating to other transactions affecting financial assets and liabilities	2,491	9,287
Cash flows relating to investment property	(1,068)	(1,500)
Cash flows relating to other transactions affecting non-financial assets and liabilities	4,071	949
Income taxes paid	(1,741)	(1,103)
Net increase (decrease) in cash related to assets and liabilities from operating activities	**(28,939)**	**1,838**
Net cash from (used in) operating activities (A)	**(21,905)**	**9,911**
Cash flows relating to financial assets and investments	(82)	(1,988)
Cash flows relating to property and equipment and intangible assets	(2,465)	(2,587)
Net cash from (used in) investing activities (B)	**(2,547)**	**(4,575)**
Cash flows from (used in) transactions with owners	(3,978)	(2,883)
Other net cash flows from (used in) financing activities	(81)	1,338
Net cash from (used in) financing activities (C)	**(4,059)**	**(1,545)**
Other increases (decreases) in cash and cash equivalents (D)	**(86)**	**1,629**
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	**(28,597)**	**5,421**
Cash and cash equivalents at the beginning of the period	**66,811**	**61,390**
Net cash and central banks	44,192	42,973
Net loans to (borrowings from) credit institutions repayable on demand	22,620	18,417
Cash and cash equivalents at the end of the period	**38,215**	**66,811**
Net cash and central banks	29,876	44,192
Net loans to (borrowings from) credit institutions repayable on demand	8,339	22,620
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(28,597)**	**5,421**

(1) See note to the income statement (1.3) referring to the first-time consolidation of the Euronext N.V. Group.

1.8 2024 segment information

1.8.1 Income statement items

	31.12.2024							
(in millions of euros)	Net banking income	Gross operating profit (loss)	Cost of risk	Operating profit (loss)	Profit (loss) of equity-accounted companies	Profit (loss) before tax	Net profit (loss)	Net profit (loss) attributable to owners
Caisse des Dépôts division	**2,418**	**1,246**	**(172)**	**1,074**	**(41)**	**1,002**	**938**	**952**
Bpifrance group					**443**	**443**	**443**	**443**
La Poste group	**33,185**	**2,134**	**(266)**	**1,868**	**(63)**	**2,345**	**1,619**	**861**
• of which La Poste	25,991	(250)	(34)	(284)	(158)	(17)	187	122
• of which La Banque Postale	3,649	(328)	(232)	(560)		(560)	(565)	(386)
• of which CNP Assurances	3,545	2,712		2,712	95	2,922	1,997	1,125
Management of Strategic Investments division	**10,015**	**300**	**(43)**	**257**	**586**	**857**	**751**	**790**
• Financial Services	366	253	1	254	701	956	891	891
• Infrastructure	(22)	(22)		(22)	46	24	23	22
• Real Estate & Tourism	1,174	29	(44)	(15)	(22)	(39)	(43)	(5)
• Services, Transport & Engineering	8,497	40		40	(139)	(84)	(120)	(118)
Caisse des Dépôts Group	**45,618**	**3,680**	**(481)**	**3,199**	**925**	**4,647**	**3,751**	**3,046**

	31.12.2023(1)							
(in millions of euros)	Net banking income	Gross operating profit (loss)	Cost of risk	Operating profit (loss)	Profit (loss) of equity-accounted companies	Profit (loss) before tax	Net profit (loss)	Net profit (loss) attributable to owners
Caisse des Dépôts division	**2,320**	**1,260**	**(41)**	**1,219**	**(57)**	**1,379**	**958**	**966**
Bpifrance group					**551**	**551**	**551**	**551**
La Poste group	**33,270**	**2,123**	**(231)**	**1,892**	**(86)**	**1,653**	**1,081**	**541**
• of which La Poste	25,855	(410)	(29)	(439)	(158)	(704)	(432)	(279)
• of which La Banque Postale	4,045	(5)	(202)	(206)		(206)	(321)	(222)
• of which CNP Assurances	3,370	2,538		2,537	72	2,563	1,834	1,042
Management of Strategic Investments division	**9,007**	**20**	**10**	**30**	**356**	**339**	**1,628**	**920**
• Financial Services	364	250	11	261	142	402	339	339
• Infrastructure	(23)	(23)		(23)	213	191	190	153
• Real Estate & Tourism	824	(222)	(3)	(225)	9	(271)	1,103	436
• Services, Transport & Engineering	7,842	15	2	17	(8)	17	(4)	(8)
Caisse des Dépôts Group	**44,597**	**3,403**	**(262)**	**3,141**	**764**	**3,922**	**4,218**	**2,978**

(1) See note to the income statement (1.3) referring to the first-time consolidation of the Euronext N.V. Group.

1.8.2 Statement of financial position items

(in millions of euros)	Total assets 31.12.2024	Total assets 31.12.2023(1)
Caisse des Dépôts division	**158,775**	**167,888**
Bpifrance group	**14,200**	**14,952**
La Poste group	**762,173**	**760,905**
• of which La Poste	23,881	24,556
• of which La Banque Postale	300,406	298,886
• of which CNP Assurances	437,886	437,463
Management of Strategic Investments division	**99,268**	**95,891**
• Financial Services	73,245	69,868
• Infrastructure	4,062	4,064
• Real Estate & Tourism	12,406	12,755
• Services, Transport & Engineering	9,555	9,204
Caisse des Dépôts Group	**1,034,416**	**1,039,636**

(1) See note to the consolidated statement of financial position (1.5) referring to the first-time consolidation of the Euronext N.V. Group.

1.8.3 Breakdown of statement of financial position items

(in millions of euros)	31.12.2024				
	Caisse des Dépôts division	**La Poste**	**La Banque Postale**	**CNP Assurances**	**SFIL group**
ASSETS					
Cash and amounts due from central banks	41	4	27,812		2,016
Financial assets at fair value through profit or loss	19,467	975	13,204	186,565	1,690
Hedging instruments with a positive fair value	1,123		400	86	2,142
Financial assets at fair value through other comprehensive income	39,780		14,201	201,974	
Securities at amortised cost	43,954		33,496	3,234	7,913
Loans and receivables due from credit institutions and related entities at amortised cost	27,139	1,405	71,021	4,652	90
Loans and receivables due from customers at amortised cost	5,533	2,267	133,196		55,891
Cumulative fair value adjustments to portfolios hedged against interest rate risk			387		(1,127)
Insurance contract assets				917	
Reinsurance contract assets				6,523	
Current and deferred tax assets	200	1,190	490	767	322
Prepayments, accrued income and other assets	2,853	5,258	3,880	5,193	1,939
Non-current assets held for sale and discontinued operations	139	16		17,286	
Investments in equity-accounted companies	3,529	582		1,097	
Investment property	13,343			6,046	
Owner-occupied property and equipment	794	9,609	971	419	28
Intangible assets	880	1,038	784	3,127	19
Goodwill		1,537	564		
TOTAL ASSETS	**158,775**	**23,881**	**300,406**	**437,886**	**70,923**

(in millions of euros)	31.12.2024				
	Caisse des Dépôts division	**La Poste**	**La Banque Postale**	**CNP Assurances**	**SFIL group**
LIABILITIES					
Due to central banks					
Financial liabilities at fair value through profit or loss	347	5	16,652	901	335
Hedging instruments with a negative fair value	1,585	22	1,964		3,886
Debt securities	35,312	10,487	32,516	650	65,508
Due to credit institutions	17,663	476	14,421	16,532	
Due to customers	77,611	342	226,047		
Cumulative fair value adjustments to portfolios hedged against interest rate risk			(347)		(342)
Current and deferred tax liabilities	3,462		198	1,341	1
Accrued expenses, deferred income and other liabilities	4,304	10,440	3,714	4,579	349
Liabilities related to non-current assets held for sale and discontinued operations	2			16,283	
Insurance contracts issued – Liabilities				366,772	
Reinsurance contract liabilities				13	
Provisions	450	3,290	393	841	15
Subordinated debt, guarantee deposits	946		2,212	5,595	279
TOTAL LIABILITIES EXCLUDING EQUITY	**141,682**	**25,062**	**297,770**	**413,507**	**70,031**

	31.12.2023				
(in millions of euros)	Caisse des Dépôts division	La Poste	La Banque Postale	CNP Assurances	SFIL group
ASSETS					
Cash and amounts due from central banks	629	5	40,577		2,980
Financial assets at fair value through profit or loss	18,017	1,446	10,168	204,202	2,251
Hedging instruments with a positive fair value	501		619	58	2,189
Financial assets at fair value through other comprehensive income	37,942		12,007	198,842	16
Securities at amortised cost	45,993		31,723	2,031	7,338
Loans and receivables due from credit institutions and related entities at amortised cost	38,487	1,457	66,179	4,735	104
Loans and receivables due from customers at amortised cost	5,153	1,211	130,523		52,535
Cumulative fair value adjustments to portfolios hedged against interest rate risk			33		(1,429)
Insurance contracts issued – Assets				1,343	
Reinsurance contracts held – assets				8,891	
Current and deferred tax assets	148	1,873	380	947	369
Prepayments, accrued income and other assets	3,786	5,673	4,332	4,367	2,164
Non-current assets held for sale and discontinued operations		53			
Investments in equity-accounted companies	3,598	707		1,104	
Investment property	12,076			6,712	
Owner-occupied property and equipment	783	9,603	1,026	464	32
Intangible assets	775	993	755	3,767	21
Goodwill		1,535	564		
TOTAL ASSETS	**167,888**	**24,556**	**298,886**	**437,463**	**68,570**

	31.12.2023				
(in millions of euros)	Caisse des Dépôts division	La Poste	La Banque Postale	CNP Assurances	SFIL group
LIABILITIES					
Due to central banks					
Financial liabilities at fair value through profit or loss	389	3	12,723	855	431
Hedging instruments with a negative fair value	2,189	9	2,173	18	4,318
Debt securities	32,193	11,541	34,046	641	62,947
Due to credit institutions	18,125	460	15,389	18,102	
Due to customers	89,008	334	226,507	3	
Cumulative fair value adjustments to portfolios hedged against interest rate risk			(901)		(411)
Current and deferred tax liabilities	3,638		202	1,639	2
Accrued expenses, deferred income and other liabilities	4,317	11,264	3,262	6,189	225
Liabilities related to non-current assets held for sale and discontinued operations		64			
Insurance contract liabilities				378,429	
Reinsurance contract liabilities				55	
Provisions	329	3,633	406	564	13
Subordinated debt, guarantee deposits	1,001		2,365	4,925	166
TOTAL LIABILITIES EXCLUDING EQUITY	**151,189**	**27,308**	**296,172**	**411,420**	**67,691**

2. Notes to the consolidated financial statements

2.1 Summary of significant accounting policies

2.1.1 Basis of preparation of the financial statements

The Caisse des Dépôts Group applies IFRS as adopted by the European Union at 31 December 2024. In particular, the Group decided to apply the provisions of Regulation No. 2086/2004 of the European Commission, adopting IAS 39 with the exception of certain provisions for the accounting of macro-hedge transactions (carve out). Regulation (EU) No. 2086/2004 makes it possible to select some of the macro-hedge transactions carried out as part of asset/liability management for fair value hedging relationships (including in particular customer demand deposits).

These standards are available on the European Commission's website at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en.

The consolidated financial statements at 31 December 2024 have been prepared in accordance with the recognition and measurement principles set out in the relevant IASs/IFRSs and IFRS IC (IFRIC) interpretations that were applicable at the end of the reporting period.

These standards and interpretations are identical to those used and described in the Caisse des Dépôts Group's financial statements at 31 December 2023, with the exception of the IFRS amendments described below (see section 2.1.1.1).

2.1.1.1 IFRS amendments that are mandatory as of 1 January 2024

The mandatory IFRS amendments effective as from 1 January 2024 are presented below. They are:

2.1.1.1.1 Amendments to IFRS 16 "*Lease Liability in a Sale and Leaseback*" (EU Regulation No. 2023/2579 of 20 November 2023)

These amendments clarify the subsequent measurement of sale and leaseback transactions where the initial transfer of the asset qualifies as a sale under IFRS 15 "*Revenue from contracts with customers*". They specify how to subsequently measure the lease liability in the case of a sale and leaseback transaction with variable payments that do not depend on an index or a rate.

These amendments have no impact on the consolidated financial statements of the Caisse des Dépôts Group as it does not carry out sale and leaseback transactions.

2.1.1.1.2 Amendments to IAS 1 "Classification of liabilities as current or non-current and non-current liabilities with covenants" (EU Regulation No. 2023/2822 of 19 December 2023)

These amendments specify the distinguishing criteria between current and non-current liabilities.

They have no impact on the Caisse des Dépôts Group's financial statements, as the Group presents its assets and liabilities in order of liquidity.

2.1.1.1.3 Amendments to IAS 7 and IFRS 7 "*Supplier Finance Arrangements*" (EU Regulation No. 2024/1317 of 15 May 2024)

These amendments introduce new disclosure requirements concerning supplier finance arrangements. They enhance the transparency of these arrangements and their effects on liabilities, cash flows and exposure to liquidity risk, as well as requiring disclosure of how an entity might be affected if the arrangements were no longer available to it.

They have no impact on the consolidated financial statements of the Caisse des Dépôts Group as it does not have any supplier finance arrangements.

It should be noted that the Caisse des Dépôts Group continues to apply the amendments to IAS 12 "*International Tax Reform – Pillar Two Model Rules*" (EU Regulation No. 2023/2468 of 8 November 2023).

The Pillar Two Model Rules were published in December 2021 by the Organisation for Economic Co-operation and Development (OECD). They are the outcome of the BEPS group's work to combat tax avoidance by introducing a global minimum tax rate of 15% on the profits of multinational groups with annual sales in excess of €750 million. The Pillar Two Model Rules have been taken up in European Directive No. 2022/2523, adopted by the European Union and published in its Official Journal on 14 December 2022. This directive has been transposed into French law in the 2024 Finance Act, for application to tax years beginning on or after 1 January 2024.

The amendments to IAS 12 adopted by the European Union on 8 November 2023 introduce a mandatory temporary exception to the recognition of deferred tax assets and liabilities related to income taxes resulting from the application of the OECD's "Pillar Two" rules. This exception is accompanied by specific disclosure requirements in the consolidated financial statements.

As a public entity that is not qualified as an ultimate parent entity, Caisse des Dépôts (Central Sector) is not concerned by European Directive No. 2022/2523. However, the OECD Pillar Two calculation and disclosure requirements do apply to its sub-groups: La Poste, Transdev, Compagnie des Alpes and Icade.

2.1.1.2 IFRS standards, amendments and interpretations adopted by the European Union but not yet applied at 1 January 2024

The Caisse des Dépôts Group did not apply the standards amendments and interpretations adopted by the European Union and not yet mandatorily effective at 1 January 2024. These concern:

2.1.1.2.1 Amendments to IAS 21 *"Lack of Exchangeability"* (EU Regulation No. 2024/2862 of 12 November 2024)

These amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

They also require the disclosure of additional information in the notes to the financial statements when a currency is not exchangeable.

They are applicable in reporting periods beginning on or after 1 January 2025 and the Caisse des Dépôts Group is currently analysing their impact on its consolidated financial statements.

2.1.1.3 IFRS standards, amendments and interpretations not yet adopted by the European Union

The Caisse des Dépôts Group did not apply the standards, amendments and interpretations published by the IASB and not yet adopted by the European Union.

2.1.1.4 Use of the Accounting Standards Authority (ANC) financial statement format for banks

In the absence of any requisite IFRS financial statement format, the presentation of the financial statements complies with Recommendation No. 2022-01 of 8 April 2022, issued by the *Autorité des normes comptables* (French accounting standards-setter – ANC), which provides for a change in the presentation of insurance activities in the financial statements of banking institutions, due to the first-time application of IFRS 17.

In accordance with revised IAS 1, the Caisse des Dépôts Group presents a separate consolidated income statement providing a breakdown of profit. It also presents a statement of comprehensive income which starts with profit and details gains and losses recognised directly in equity, net of tax.

The Caisse des Dépôts Group has also opted to present its insurance investments based on the same categories as the investment portfolios of the banking business.

2.1.1.5 Use of estimates

The preparation of the Group's financial statements involves making certain estimates and assumptions which affect the reported amounts of income and expenses, assets and liabilities, as well as the disclosures in the accompanying notes. To make any such estimates and assumptions, management is required to exercise judgement and consider information available when the financial statements are drawn up. The actual outcome of transactions for which estimates and assumptions are made could differ significantly from the anticipated outcome, particularly with respect to market conditions, and this may have a material impact on the financial statements.

Estimates and assumptions are used to calculate:

- the fair value of unlisted financial instruments carried in the statement of financial position under: "Financial assets/liabilities at fair value through profit or loss", "Hedging instruments" or "Financial assets at fair value through other comprehensive income";
- any impairment taken on financial assets (financial assets at fair value through other comprehensive income to be reclassified to profit or loss, securities at amortised cost, loans and receivables at amortised cost);

  This applies in particular to the assessment of whether an asset has been subject to a significant increase in credit risk, the models and assumptions used to measure expected credit losses, the determination and weighting of the various economic scenarios and the specific assessments related to the macroeconomic environment (see section 2.7.3.1.2.4 "Credit risk provisions" in the "Risk factors" note);
- any impairment taken on investments in equity-accounted companies;
- the fair value of investment property disclosed in the notes;
- any impairment taken on property and equipment, intangible assets and goodwill;
- the measurement of insurance and reinsurance contracts (cash flow projections and measurement assumptions for the various contracts);
- deferred tax;
- provisions reported in liabilities (including for employee benefits and housing savings) in respect of contingencies and expenses;
- the initial amount of goodwill recognised on business combinations;
- the carrying amount of non-current assets and related liabilities held for sale.

2.1.2 Basis of consolidation

2.1.2.1 Scope of consolidation

The consolidated financial statements comprise the financial statements of the Caisse des Dépôts Central Sector, the consolidated financial statements of the sub-groups and the financial statements of entities over which Caisse des Dépôts exercises control, joint control or significant influence, whose consolidation has a material impact on the Group's financial statements.

2.1.2.2 Consolidation methods and definition of control

Investees (and structured entities) controlled by the Group are fully consolidated. Control is exercised when: the Group has the power to direct the investee's relevant activities; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee.

Potential voting rights which give the option to acquire additional voting rights in an investee are taken into account to determine control when such rights are currently exercisable in such a way as to allow the investor to direct the relevant activities of the investee.

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. Joint control may involve two types of arrangement: a joint venture or a joint operation.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for by the equity method.

A joint operation is an arrangement whereby the parties that have joint control have rights to the assets and bear responsibility for the liabilities of the arrangement. A joint operation is consolidated by recognising the Caisse des Dépôts Group's interest in said operation:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output of the joint operation and from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

Entities over which the Group exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. Significant influence is presumed to be exercised when the Group holds, directly or indirectly, 20% or more of the voting power of the investee.

The results of acquired entities are included in the consolidated financial statements from the effective acquisition date, while the results of entities sold during the period are included up to the date when control, joint control or significant influence is relinquished.

2.1.2.2.1 Financial year-end

Almost all consolidated companies have a 31 December year-end. Companies whose financial year-end is more than three months before or after the Group's year-end are consolidated based on financial statements drawn up at 31 December. In the case of companies whose financial year-end falls within three months of the Group's year-end, any material transactions occurring between their year-end and 31 December are taken into account in preparing the consolidated financial statements when this is necessary to comply with the true and fair view principle.

2.1.2.3 Companies excluded from the scope of consolidation

Investments in associates and joint ventures held in connection with the Group's private equity activity may be excluded from the scope of consolidation, in accordance with the option available under IAS 28.18. These investments are then recognised as "Financial assets at fair value through profit or loss".

Low-cost housing companies (ESHs) are excluded from the scope of consolidation because they are not controlled by the Group within the meaning of IFRS. Shares in ESHs are therefore recognised as "Financial assets at fair value through profit or loss" or, under the option provided for, as "Financial assets at fair value through other comprehensive income not to be reclassified to profit or loss".

Semi-public companies (SEMs, SAIEMs) not controlled by the Caisse des Dépôts Group are also excluded from the scope of consolidation. Shares in these companies are therefore recognised as "Financial assets at fair value through profit or loss" or, under the option provided for, as "Financial assets at fair value through other comprehensive income not to be reclassified to profit or loss".

Shares in companies acquired with the intention of being sold in the near term are excluded from the scope of consolidation and classified as "Non-current assets held for sale".

In application of IFRS, the agreements signed with the French State concerning the Investments for the Future Programme require the assets and liabilities covered by said agreements to be derecognised in the Group's consolidated financial statements. In the French GAAP accounts of the Central Sector, these assets and liabilities are transferred to adjustment accounts.

2.1.2.4 Consolidation adjustments and intra-group eliminations

The financial statements of consolidated companies are restated based on Group accounting policies when the effects of the restatement are material. The accounting policies applied by associates and joint ventures are aligned with Group policies where necessary.

Intra-group balances, income and expenses between fully consolidated companies are eliminated when their impact on the consolidated financial statements is material.

Gains and losses on intra-group sales of assets to associates and joint ventures are eliminated proportionately, based on the Group's percentage interest in the associate or joint venture.

2.1.2.5 Foreign currency translation

The consolidated financial statements are presented in euros. The financial statements of entities whose functional currency is different from the Group's presentation currency are translated by the closing rate method. Under this method, all monetary and non-monetary assets and liabilities are translated at the exchange rate at the end of the reporting period, while income and expenses are translated at the average exchange rate for the period (provided that exchange rates do not fluctuate significantly during that period). The differences arising from translation are recognised in equity in the statement of financial position under "Gains and losses recognised directly in equity".

Gains and losses arising from the translation of the net investment in foreign operations, borrowings and foreign exchange instruments that are effective hedges of these investments are deducted from equity.

When the foreign operation is sold, the cumulative exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on the sale.

2.1.2.6 Business combinations and goodwill

Business combinations are accounted for using the purchase method except for jointly controlled business combinations and a newly formed joint venture, which are excluded from the scope of IFRS 3.

Under the purchase method, the identifiable assets acquired and liabilities assumed are recognised at acquisition-date fair value.

Any contingent liabilities assumed are only recognised in the consolidated statement of financial position if they represent a current obligation at the date control is acquired, and the fair value of that obligation can be measured reliably.

The cost of a combination (consideration transferred) is equal to the fair value, at the date of exchange, of the assets transferred, liabilities incurred or assumed and any equity instruments issued by the Group, in exchange for control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and are recognised in profit or loss.

Any contingent consideration is included in the cost of the combination as of the date control is acquired, for its fair value at the acquisition date. Any earn-out adjustments classified as financial liabilities are remeasured at fair value at the end of each reporting period and taken to profit or loss, unless these adjustments occur within 12 months of the date of the combination and relate to facts and circumstances existing at the acquisition date.

Goodwill represents the excess of the cost of the combination over the acquirer's share in the acquisition-date fair value of the identifiable assets and liabilities, and, at that date, is recognised in assets in the consolidated statement of financial position, under "Goodwill". Negative goodwill is recognised directly in profit or loss.

Non-controlling interests may be carried at either their share in the net identifiable assets of the acquiree ("partial" goodwill method) or at their fair value, in which case they are allocated a percentage of the corresponding goodwill ("full" goodwill method). This decision can be renewed for each business combination.

The initial accounting for a business combination spans up to 12 months after the acquisition date.

Goodwill is initially measured in the statement of financial position at cost in the currency of the acquiree and is translated at the exchange rate at the end of the reporting period.

Goodwill is tested for impairment, as explained in section 2.1.3.11.

When a business combination is carried out in stages (step acquisition), goodwill is determined by reference to the fair value at the date control is obtained. At this date, any previously-held interest in the acquiree is remeasured at fair value through profit or loss or against equity within "Gains and losses recognised directly in equity" in the statement of financial position.

Similarly, a loss of control of a consolidated subsidiary requires the remaining holding to be remeasured at fair value through profit or loss.

2.1.2.7 Transactions with non-controlling interests

The Caisse des Dépôts Group recognises in equity any difference between the cost of the shares and its share in the acquiree's adjusted net assets for transactions involving the acquisition of non-controlling interests in an entity already controlled by the Group. Costs directly attributable to the acquisition are recognised as a deduction from equity.

Partial sales of non-controlling interests which do not result in a loss of control are recognised by adjusting equity.

2.1.2.8 Repurchase commitments granted to non-controlling shareholders of fully consolidated subsidiaries

Pursuant to the provisions of IAS 32 *"Financial Instruments: Presentation"*, the Caisse des Dépôts Group records a financial liability in respect of put options granted to non-controlling shareholders of consolidated subsidiaries. Where the value of the option exceeds the amount of non-controlling interests, IFRS standards do not specify how the difference should be recognised.

The Caisse des Dépôts Group has chosen to recognise the difference between the option and the amount of non-controlling interests in equity. Subsequent changes in the liability relating to changes in the estimated exercise price of the option and the carrying amount of non-controlling interests are recognised in equity.

2.1.2.9 Segment information

In accordance with IFRS 8, the segment information presented is based on internal reports used by the Group's senior management and reflects the Group's internal business organisation. Operating activities are organised and managed based on the type of service provided.

The Caisse des Dépôts Group's business segments at 31 December 2024 – with no change from 31 December 2023 – are:

- Caisse des Dépôts division, consisting mainly of:
  - Caisse des Dépôts – Central Sector,
  - SCET,
  - CDC Habitat;
- Bpifrance group;
- La Poste group;
- Management of Strategic Investments division, consisting mainly of:
  - Financial Services:
    - SFIL group,
    - Sicovam Holding,
    - Euroclear Holding SA N/V,
    - Euronext N.V;
  - Real Estate & Tourism:
    - Icade,
    - Compagnie des Alpes;
  - Infrastructure:
    - Coentreprise de Transport d'Électricité,
    - Holding d'Infrastructures Gazières,
    - Coriance Group;
  - Services, Transport & Engineering:
    - Egis,
    - Transdev group,
    - Suez Holding,
    - STOA,
    - emeis.

2.1.2.9.1 Banque des Territoires

The Banque des Territoires brand brings together all Caisse des Dépôts' activities promoting regional development. It encompasses the operational departments (banking, investor, lender) of the Central Sector and Savings Funds, and relies on a network of 37 offices with functional departments (finance, communication, digital strategy and human resources). It also encompasses two subsidiaries, CDC Habitat and SCET, which support regional players in engineering and consulting. The Savings Funds are not consolidated in the Caisse des Dépôts Group's consolidated financial statements.

2.1.3 Accounting policies

2.1.3.1 Financial instruments

Financial assets and liabilities are recognised in the financial statements at 31 December 2024 in accordance with the provisions of IFRS 9 and with the amendments to IFRS 9 "*Prepayment Features with Negative Compensation*".

IFRS 9 sets out the principles for the classification and measurement of financial instruments, impairment of credit risk and hedge accounting excluding macro hedges, for which the Group applies the IAS 39 carve-out provisions adopted by the European Union.

2.1.3.1.1 Measurement of financial assets and liabilities

2.1.3.1.1.1 Initial recognition date

Securities are recorded on the statement of financial position on the settlement-delivery date, while derivative financial instruments are recorded on the trade date. Loans and receivables are recorded in the statement of financial position on the disbursement date.

Changes in fair value between the trade date and the settlement-delivery date are recognised in income or equity depending on the accounting category of the financial instruments concerned.

2.1.3.1.1.2 Initial measurement

On initial recognition, financial assets and liabilities are measured at fair value as defined by IFRS 13, plus (in the case of financial assets) or less (in the case of financial liabilities) transaction costs directly attributable to the acquisition or issue. This is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see section 2.1.3.1.7).

2.1.3.1.1.3 Subsequent measurement

After initial recognition, non-derivative financial assets and liabilities are measured based on their classification, either at amortised cost using the effective interest rate method or at fair value as defined by IFRS 13. Derivative financial instruments are always measured at fair value.

Amortised cost corresponds to the amount at which the financial asset or financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount and, for a financial asset, minus impairment for credit risk, if any.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, in order to obtain the exact gross carrying amount of the financial asset (i.e., amortised cost without taking into account any impairment for credit risk) or the amortised cost of the financial liability.

This calculation incorporates fees and commissions paid or received between the parties to the contract, transaction costs and all premiums and discounts.

2.1.3.1.2 Recognition of financial assets

Recognition of financial assets depends on the business model and the characteristics of the contractual cash flows of the instruments (see section 2.1.3.1.2.3).

2.1.3.1.2.1 Business models

Business model refers to how an entity manages its financial assets for the purpose of achieving a particular economic objective. IFRS 9 defines three types of business model:

- The “hold-to-collect model”, the objective of which is to hold financial assets in order to collect contractual cash flows. This model, under which the concept of holding is fairly close to that of holding to maturity, remains valid if disposals occur under the following conditions:
  - the disposals are due to an increase in credit risk,
  - the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still due,
  - other disposals are consistent with the objectives of the “hold-to-collect model” if they are infrequent (even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent);
- The “mixed model”, the objective of which is both to collect contractual cash flows and to sell financial assets. In this model, the collection of cash flows and the sale of financial assets are both essential;
- The “other models”, which are defined in opposition to the “hold-to-collect model” and the “mixed model”. They concern portfolios of instruments whose objective is to collect contractual cash flows by selling financial assets or those that are managed and whose performance is evaluated based on fair value.

2.1.3.1.2.2 Contractual cash flow characteristics of the instruments (Solely Payments of Principal and Interest (SPPI) criterion)

A financial asset is deemed SPPI (or “basic”) if the contractual terms of the asset give rise, on specified dates, to cash flows corresponding solely to payments of principal and interest calculated on the principal amount outstanding. On initial recognition, every asset should be tested to determine whether it meets the SPPI criterion (SPPI test).

Principal is defined as the acquisition-date fair value of the financial asset. Interest consists of consideration for the time value of money and the credit risk associated with the principal amount, as well as other risks such as liquidity risk, administrative costs and margin.

To assess whether contractual cash flows are solely payments of principal and interest, the contractual terms of the instrument should be taken into account. Any information that may cast doubt on whether only the time value of money and credit risk are represented must therefore be analysed. For example:

- Events that would change the amount and timing of the cash flows.

  Any contractual terms that generate exposure to risks or volatility in cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or a stock market index, or the introduction of leverage, would make it impossible to categorise contractual cash flows as SPPI;
- The characteristics of the applicable interest rates (for example, consistency between the rate refixing period and the interest calculation period).

  If a qualitative analysis does not provide a clear result, a quantitative analysis (benchmark test) is carried out. This involves comparing the contractual cash flows of the asset in question with the contractual cash flows of a benchmark asset. If the difference between the cash flows of the asset in question and the cash flows of the benchmark asset is deemed insignificant, the asset is considered to be a basic lending arrangement that satisfies the SPPI criterion;
- Prepayment and extension features.

A contractual term that permits the borrower or lender to prepay the financial instrument remains consistent with the SPPI criterion for contractual cash flows if the prepayment amount substantially represents the principal amount outstanding and the related interest, as well as reasonable additional compensation, if applicable.

Furthermore, although they do not strictly meet the criteria for consideration for the time value of money, certain assets with a regulated rate are considered “basic” if that regulated interest rate provides consideration that is broadly consistent with the passage of time and does not generate exposure to risks or volatility in the contractual cash flows that are inconsistent with a basic lending arrangement.

To qualify as “basic” financial assets, the securities held in a securitisation vehicle must meet specific conditions. The contractual terms of the tranche must meet the SPPI criterion, as must the pool of underlying assets. The risk inherent in the tranche must be lower than or equal to the exposure to the underlying assets of the tranche.

2.1.3.1.2.3 Classification and measurement of financial assets

Financial assets are classified on the statement of financial position in the following three accounting categories: amortised cost, fair value through other comprehensive income and fair value through profit or loss, depending on the business models and the characteristics of the contractual cash flows associated with the instruments (see sections 2.1.3.1.2.1 and 2.1.3.1.2.2).

Debt instruments (loans, receivables, securities)

Debt instruments (loans, receivables, securities) may be recognised at amortised cost, at fair value through other comprehensive income to be reclassified to profit or loss, or at fair value through profit or loss.

Debt instruments recognised at amortised cost

Debt instruments are measured at amortised cost if the business model consists in holding the instrument to collect the contractual cash flows ("hold-to-collect model") and if the cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

Financial assets measured at amortised cost are initially recognised at fair value, which includes transaction costs and accrued interest (unless it can be demonstrated that the transaction costs are not material).

These financial assets are subsequently measured at amortised cost using the effective interest rate method.

The amortisation of any premiums/discounts and transaction costs over the remaining life of these instruments is recognised in profit or loss using the effective interest rate method, under "Interest income" in the income statement.

These financial assets are impaired under the conditions described in "Impairment for credit risk" (see section 2.1.3.1.4).

They are reported in the statement of financial position under "Securities at amortised cost", "Loans and receivables due from credit institutions and related entities at amortised cost", and "Loans and receivables due from customers at amortised cost", depending on the type of instrument.

Debt instruments recognised at fair value through other comprehensive income to be reclassified to profit or loss

Debt instruments are measured at fair value through other comprehensive income to be reclassified to profit or loss if the business model consists of holding the instrument to collect the contractual cash flows and sell the assets ("mixed model") and if the cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

Financial assets measured at fair value through other comprehensive income to be reclassified to profit or loss are initially recognised at fair value, which includes transaction costs and accrued interest (unless it can be demonstrated that the transaction costs are not material).

These financial assets are subsequently measured at fair value, with changes in fair value recognised in other comprehensive income to be reclassified to profit or loss with a corresponding entry against the outstanding amount (excluding accrued interest, which is recognised using the effective interest rate method under "Interest income" in the income statement).

The amortisation of any premiums/discounts and transaction costs over the remaining life of these instruments is also recognised in profit or loss using the effective interest rate method, under "Interest income" in the income statement.

When the assets are sold, the unrealised gains or losses previously recognised in equity are reclassified to the income statement under "Net gains and losses on financial instruments at fair value through other comprehensive income".

These financial assets are impaired under the conditions described in "Impairment for credit risk" (without affecting the fair value in the statement of financial position) (see section 2.1.3.1.4).

They are reported in the statement of financial position under "Financial assets at fair value through other comprehensive income".

Debt instruments recognised at fair value through profit or loss

Any debt instruments that are not eligible to be recognised at amortised cost or at fair value through other comprehensive income to be reclassified to profit or loss are measured at fair value through profit or loss.

This category includes:

- Debt instruments classified in portfolios made up of financial assets:
  - that are held for trading or whose primary objective is disposal, and
  - that are managed and whose performance is evaluated on a fair value basis.

  In both of the above-mentioned portfolio categories, even though contractual cash flows are collected while the entity holds the assets, the collection of those contractual cash flows is not integral but incidental;
- Debt instruments that do not meet the SPPI criterion, which is particularly the case for mutual funds (UCITS) and venture capital funds (FCPR);
- Debt instruments classified in portfolios for which the entity expressly chooses the fair value through profit or loss approach in order to eliminate or reduce an accounting treatment mismatch in the measurement or recognition that would otherwise arise from the measurement of assets or liabilities on different bases.

In that case, the financial asset is classified under the fair value option at fair value through profit or loss on initial recognition, and this classification is irrevocable.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss) but including accrued interest.

These financial assets are subsequently measured at fair value, with changes in fair value recognised in profit or loss under "Net gains and losses on financial instruments at fair value through profit or loss" with a corresponding entry against the outstanding amount.

These financial assets are not impaired.

They are reported in the statement of financial position under "Financial assets at fair value through profit or loss".

Equity instruments (shares)

Investments in equity instruments (such as shares) are measured at fair value through profit or loss or, under the option provided for, at fair value through other comprehensive income not to be reclassified to profit or loss.

Equity instruments are not impaired.

Equity instruments recognised at fair value through profit or loss

Equity instruments measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss).

These equity instruments are subsequently measured at fair value, with changes in fair value recognised in profit or loss under "Net gains and losses on financial instruments at fair value through profit or loss" with a corresponding entry against the outstanding amount.

They are reported in the statement of financial position under "Financial assets at fair value through profit or loss".

Equity instruments recognised at fair value through other comprehensive income not to be reclassified to profit or loss (irrevocable election)

The irrevocable election to recognise equity instruments at fair value through other comprehensive income not to be reclassified to profit or loss is evaluated at the transaction level (line by line) and must be applied on initial recognition of the instrument (or on first-time adoption of IFRS 9 at 1 January 2018). Equity instruments held for trading are not eligible for this option.

Equity instruments measured at fair value through other comprehensive income not to be reclassified to profit or loss are initially recognised at fair value, including transaction costs (unless it can be demonstrated that the transaction costs are not material).

These equity instruments are subsequently measured at fair value, with changes in fair value recognised in other comprehensive income not to be reclassified to profit or loss under "Other comprehensive income" in the statement of financial position.

When the equity instruments are sold, unrealised gains and losses previously recognised in other comprehensive income are not reclassified to profit or loss. The gain or loss on disposal is thus still recognised in other comprehensive income.

However, the Caisse des Dépôts Group has chosen to reclassify to "Reserves and retained earnings" the share of other comprehensive income not to be reclassified to profit or loss recognised under "Other comprehensive income" corresponding to any capital gain or loss recorded on disposal.

Only dividends are recognised in profit or loss under "Net gains and losses on financial instruments at fair value through other comprehensive income" if they correspond to a return on investment and not to redemption of the equity instrument.

They are reported in the statement of financial position under "Financial assets at fair value through other comprehensive income".

2.1.3.1.2.4 Reclassification of financial assets

Reclassifications of financial assets are not permitted, except in the case of a significant change in the business model for managing financial assets.

Such changes are expected to be infrequent (mainly when the entity begins or ceases to perform an activity that is significant to its operations) and must be determined by the entity's management body.

In that case, all of the portfolio's financial assets must be reclassified. This reclassification is prospective as from the date of reclassification and no gain, loss or interest recognised prior to that date should be restated.

2.1.3.1.2.5 Derecognition of financial assets

A financial asset is fully or partially derecognised:

- if the contractual rights to the cash flows from the financial asset expire; or
- if the contractual rights to the cash flows and substantially all of the risks and rewards incidental to ownership of this financial asset are transferred.

In that case, the financial asset is derecognised and all the rights and obligations created or retained in the transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but only some of the risks and rewards incidental to ownership of the financial asset, as well as control, are retained, the entity continues to recognise the financial asset to the extent of its continuing involvement in that asset.

Financial assets renegotiated for business reasons in the absence of financial difficulty of the counterparty and with the aim of developing or maintaining a business relationship are derecognised on the renegotiation date. The new loans granted to customers are recognised on this date for their fair value at the renegotiation date. Subsequent recognition depends on the business model and on whether or not the SPPI criterion has been met (see section 2.1.3.1.2.3).

2.1.3.1.2.6 Temporary acquisitions and disposals of securities

Temporary disposals of securities (lending of securities, securities sold under repurchase agreements) generally do not meet the conditions for derecognition.

Securities lent or sold under a repurchase agreement continue to be shown on the statement of financial position of the lender/ seller. For securities sold under a repurchase agreement, the amount received, representing the liability to the acquiree, is recognised on the liabilities side of the statement of financial position by the seller.

Securities borrowed or acquired under a repurchase agreement are not shown on the statement of financial position of the borrower/acquiree. For securities acquired under a repurchase agreement, a claim against the seller is recognised on the acquiree's statement of financial position as consideration for the amount paid. If the security is subsequently resold, the acquiree records a liability measured at fair value which represents its obligation to return the security acquired under a repurchase agreement.

2.1.3.1.3 Recognition of financial liabilities

2.1.3.1.3.1 Distinction between debt and equity

The distinction between debt instruments and equity instruments is based on an analysis of the economic substance of the contractual arrangements.

A financial liability is a debt instrument if it includes a contractual obligation:

- to deliver cash, another financial asset or a variable number of equity instruments to another entity; or
- to exchange financial assets or financial liabilities with another entity under potentially unfavourable conditions.

An equity instrument is a non-redeemable financial instrument which offers a discretionary payment that evidences a residual interest in a company after deducting all its financial liabilities (net assets) and which is not qualified as a debt instrument.

Undated subordinated notes are therefore classified as equity instruments when the timing of interest payments is determined by the Group. All other dated and undated debt instruments are included in debt.

2.1.3.1.3.2 Classification and measurement of financial liabilities

Financial liabilities are classified on the statement of financial position in the following two accounting categories: fair value through profit or loss (because of their nature or under the fair value option) and amortised cost.

Financial liabilities recognised at fair value through profit or loss because of their nature

Financial liabilities issued primarily for the purpose of repurchasing them in the near term, those forming part of a portfolio of identified financial instruments that are managed together for the purpose of generating a profit due to short-term price fluctuations, and those that meet the definition of derivatives (with the exception of designated and effective hedging instruments) are recognised at fair value through profit or loss because of their nature.

Financial liabilities measured at fair value through profit or loss because of their nature are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss) but including accrued interest.

These financial liabilities are subsequently measured at fair value, with changes in fair value recognised in profit or loss under "Net gains and losses on financial instruments at fair value through profit or loss" with a corresponding entry against the outstanding amount.

They are reported in the statement of financial position under "Financial liabilities at fair value through profit or loss".

Financial liabilities recognised at fair value through profit or loss under the fair value option

Financial liabilities that meet one of the three following conditions may be recognised at fair value through profit or loss under the fair value option:

- financial liability consisting of a separable embedded derivative that the entity does not want to separate or cannot separate;
- the entity's intention to eliminate or reduce an accounting treatment mismatch in the measurement or recognition that would otherwise arise from the measurement of assets or liabilities on different bases;
- management of a group of financial liabilities (or of a group of financial assets and financial liabilities) and evaluation of performance on a fair value basis in accordance with a documented risk management or investment strategy.

This option is exercised on initial recognition of the financial liability and is irrevocable.

Financial liabilities measured at fair value through profit or loss under the fair value option are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss) but including accrued interest.

These financial liabilities are subsequently measured at fair value, with changes in fair value recognised:

- in profit or loss for changes in fair value not related to credit risk (in the income statement under "Net gains and losses on financial instruments at fair value through profit or loss");
- in other comprehensive income not to be reclassified to profit or loss for changes in fair value related to credit risk (in the statement of financial position under "Other comprehensive income").

They are reported in the statement of financial position under "Financial liabilities at fair value through profit or loss".

Financial liabilities recognised at amortised cost

All other liabilities that meet the definition of financial liability (excluding derivatives) are measured at amortised cost.

Financial liabilities measured at amortised cost are initially recognised at fair value, which includes transaction costs and accrued interest (unless it can be demonstrated that the transaction costs are not material).

These financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

They are reported in the statement of financial position under "Debt securities", "Due to credit institutions", and "Due to customers" depending on the type of instrument.

2.1.3.1.3.3 Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is permitted.

2.1.3.1.3.4 Derecognition of and changes in financial liabilities

A financial liability is fully or partially derecognised:

- when it is extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires; or
- when quantitative or qualitative analyses indicate that it has been substantially modified.

A substantial modification of an existing financial liability must be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the extinguished financial liability and the new financial liability is recognised immediately in profit or loss.

If the financial liability is not derecognised, the original effective interest rate is maintained. A discount/premium is recognised immediately in profit or loss on the date of the modification, and is then amortised at the original effective interest rate over the remaining life of the instrument.

2.1.3.1.4 Impairment for credit risk

Credit risk is defined as the risk of loss arising from the default by a counterparty resulting in its inability to meet its commitments to the Caisse des Dépôts Group.

IFRS 9 has introduced an impairment model based on expected credit losses (ECL), which aims to anticipate the recognition of credit losses at the earliest possible stage.

2.1.3.1.4.1 Scope of the ECL impairment model

The ECL impairment model applies to the following assets, if they are not measured at fair value through profit or loss:

- financial assets qualified as debt instruments recognised at amortised cost or at fair value through other comprehensive income to be reclassified to profit or loss (loans, receivables, securities);
- lease receivables that fall within the scope of IFRS 16;
- trade receivables and contract assets generated by transactions that fall within the scope of IFRS 15;
- guarantee commitments that fall within the scope of IFRS 9 (see section 2.1.3.1.9);
- financing commitments (see section 2.1.3.1.10).

Equity instruments, whether recognised at fair value through profit or loss or, under the option provided for, at fair value through other comprehensive income not to be reclassified to profit or loss, are therefore not affected by the impairment provisions.

2.1.3.1.4.2 Models based on expected credit losses

Credit losses correspond to the difference between all the cash flows that are due to an entity in accordance with the contractual provisions and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The cash flows that the entity expects to receive must include flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms of the financial instrument.

Expected credit losses therefore correspond to the weighted average of credit losses based on the counterparty's default risk.

General ECL model

The general ECL model relies on a three-stage approach to risk based on the extent of the deterioration in the credit quality of a financial asset since initial recognition:

- **Stage 1 (Bucket 1):** this risk level includes all financial assets on initial recognition as well as on subsequent measurement, if they have not had a significant increase in credit risk since initial recognition.

  The entity recognises 12-month expected credit losses for these financial assets. Interest income is recognised through profit or loss using the effective interest rate method applied to the gross carrying amount of the assets (i.e., amortised cost before recognition of impairment);
- **Stage 2 (Bucket 2):** this risk level consists of financial assets that have had a significant increase in credit risk since their initial recognition.

  The entity recognises lifetime expected credit losses for the financial instrument. Interest income is recognised through profit or loss using the effective interest rate method applied to the gross carrying amount of the assets (i.e., amortised cost before recognition of impairment).

  Thereafter, if credit quality subsequently improves to the point that the increase in credit risk since initial recognition is no longer considered significant, impairment for credit risk is once again measured based on 12-month expected credit losses. In that case, the financial asset is reclassified to Stage 1;
- **Stage 3 (Bucket 3):** this risk level comprises credit-impaired financial assets for which there is objective evidence of impairment. These are financial assets where one or more events that have a detrimental impact on their estimated future cash flows have occurred since initial recognition. This level of risk therefore consists of financial assets that are in default (non-performing).

The entity recognises lifetime expected credit losses for the financial instrument. Interest income is recognised through profit or loss using the effective interest rate method applied to the net carrying amount of the assets (i.e., amortised cost after impairment).

Thereafter, if credit quality subsequently improves, the financial asset is reclassified to Stage 2, then potentially to Stage 1. The procedures for measuring impairment for credit risk and interest income are then modified accordingly.

Simplified ECL model for trade receivables, contract assets and operating lease receivables

A simplified approach has been introduced under IFRS 9 for trade receivables and contract assets that fall within the scope of IFRS 15, as well as for lease receivables that fall within the scope of IFRS 16. When applying this simplified approach, which allows entities to avoid monitoring changes in the credit quality of the receivable and calculating the 12-month expected loss, impairment is always equal to lifetime expected credit losses.

This simplified approach is mandatory for trade receivables and contract assets that do not contain a significant financing component. It is optional for trade receivables and contract assets that contain a significant financing component, as well as for lease receivables, with the possibility of applying this option separately to lease receivables on finance leases and operating leases.

The Caisse des Dépôts Group has decided to use this simplified approach to calculate impairment of operating lease receivables, as well as of trade receivables and contract assets that contain a significant financing component. The general ECL model is applied to finance lease receivables.

Lifetime expected credit losses are therefore measured for all trade receivables, contract assets and operating lease receivables (which are assigned to Stage 2 or Stage 3).

2.1.3.1.4.3 Significant increase in credit risk, definition of default (non-performing) and objective evidence of impairment

In the general ECL model (see section 2.1.3.1.4.2), classification to the different risk levels is based on the concepts of significant increase in credit risk, default (non-performing) and objective evidence of impairment.

Significant increase in credit risk

Significant increase in credit risk is assessed on an individual basis or, where applicable, on the basis of homogeneous portfolios of assets, if information about the significant deterioration is not identifiable on an individual financial asset level.

To make the assessment, account is taken of all reasonable and supportable information that is available without undue cost or effort, by comparing the risk of default on a financial instrument at the reporting date with the risk of default on the same instrument on initial recognition. This assessment must take account of information about past events, current conditions, and reasonable and supportable projections about future economic conditions and events (forward-looking information).

A transfer from Stage 1 to Stage 2, reflecting a significant increase in credit risk, should typically be recognised before the transaction is impaired on an individual basis due to the existence of objective evidence of impairment and before the loan is classified in Stage 3.

The Caisse des Dépôts Group also makes significant use of the rebuttable presumption provided for under IFRS 9 to consider that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than thirty days past due.

Conversely, IFRS 9 provides that if the default risk is considered low at the reporting date and if the borrower has a strong capacity to meet its contractual cash flow obligations in the near term without this capacity being significantly reduced by adverse changes in economic conditions in the longer term, it may be assumed that the credit risk on a financial asset has not increased significantly since initial recognition. Any collateral held on financial assets is not taken into consideration in this judgement.

This rule is applied by the Caisse des Dépôts Group to a significant extent, notably to monitor the deterioration in investment grade securities.

Default (non-performing)/Objective evidence of impairment

The definition of default (non-performing) for the purposes of measuring expected credit losses is identical to that used for the purposes of internal credit risk management.

The Group applies the definition of default for prudential purposes as set out in articles 127 and 178 of Regulation (EU) No. 575/2013 together with European Banking Authority guidelines 2016/07.

The new definition of default sees (i) the introduction of new absolute and relative materiality thresholds to be applied to amounts past due in order to determine whether a default has occurred and (ii) clarification of the criteria for return to non-default status, involving a probationary period.

The clarifications on how to identify a default remain consistent with the criteria for treating an exposure as credit-impaired under IFRS 9 (assigning it to Stage 3).

An exposure is considered to be in default (non-performing) when at least one of the following two conditions is met:

- a payment is more than 90 days past due and exceeds the regulatory materiality threshold, unless specific circumstances show that the arrears are due to reasons unrelated to the debtor's financial situation;
- the entity believes that the debtor is unlikely to meet all its credit obligations without recourse to measures such as the enforcement of collateral.

A loan in default (non-performing) is said to be credit-impaired when one or more observable events that have a detrimental impact on this financial asset's estimated future cash flows have occurred.

These observable events, used for a Stage 3 risk classification and which reflect the existence of a known credit risk, are:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract (past-due event);
- the lender, for reasons relating to the borrower's financial difficulty, having granted to the borrower concessions at very favourable conditions that it would not have otherwise considered (extension, lower rate, etc.);
- the borrower's bankruptcy or financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

The default status shall apply for a probationary period of three months after all aforementioned default indicators are no longer present. This probationary period is extended to one year for loans that have undergone distressed restructuring and have been transferred to Stage 3.

2.1.3.1.4.4 Measurement of expected credit losses

The methods for calculating expected credit losses are implemented independently in each Caisse des Dépôts Group entity given the wide variety of their businesses. These calculation methods may also differ within a single entity, depending on the portfolios of financial assets held and the information available on these portfolios.

General ECL measurement model

To measure expected credit losses, the Caisse des Dépôts Group entities that conduct banking operations (mainly La Poste group with its subsidiary La Banque Postale, the Caisse des Dépôts Central Sector, SFIL group and the Bpifrance group) rely largely on concepts and procedures that already exist as part of their supervisory monitoring framework.

The general methodology for calculating expected credit losses is thus based on three parameters:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

The criteria for assigning assets to the different risk levels, which determine the method used to measure expected credit losses, are based on a comparison between the financial asset's PD on the reporting date and its initial recognition date (these PDs themselves result from the ratings assigned to counterparties from internal or external models) and on the default status (non-performing).

A financial asset is therefore generally assigned:

- to Stage 1 if its PD on the reporting date has not deteriorated significantly relative to its initial PD or if it is considered to have a low credit risk (investment grade);
- to Stage 2 if its PD on the reporting date has deteriorated significantly relative to its initial PD (use of transition matrices), if it has payments more than 30 days past due or if the counterparty is monitored as part of a watchlist;
- to Stage 3 if it has been impaired due to the existence of a known credit risk. In that case, the financial asset is in default (non-performing).

Expected credit losses are calculated as the product of PD multiplied by LGD and EAD for each weighted scenario developed.

The time horizon used for the ECL calculation depends on the risk level to which the financial assets have been assigned:

- one-year PD for financial assets classified to Stage 1;
- lifetime PD for financial assets classified to Stage 2.

The various parameters used to estimate expected credit losses (PD, EAD, LGD) rely on those used at the supervisory monitoring level (Basel parameters), which should be restated to comply with the requirements of IFRS 9.

Specific adjustments are therefore made to account for conditions on the reporting date and forward-looking macroeconomic projections:

- IFRS 9 parameters aim to estimate losses as accurately as possible for accounting provision purposes, whereas prudential parameters are generally more cautious for regulatory purposes. Several of these safety buffers are therefore restated;
- IFRS 9 parameters must allow losses to be estimated until the contract's maturity, whereas prudential parameters are defined to estimate one-year losses. One-year parameters are thus projected over long horizons;
- IFRS 9 parameters must be forward-looking and take into account the expected economic conditions over the projection horizon, whereas prudential parameters correspond to average cycle estimates. Prudential parameters are therefore also adjusted based on the expected economic conditions.

Parameters are adjusted to the economic environment by defining reasonable and supportable economic scenarios, combined with probabilities of occurrence. Three economic scenarios projected over several years (one core scenario and two alternative scenarios), provided by the Central Sector's economic research department, are used.

Once the parameters have been defined, expected credit losses can be measured for all rated exposures. For unrated exposures, prudent ECL measurement rules are applied, with historical loss information produced.

Simplified ECL valuation model for trade receivables, contract assets and lease receivables on operating leases

Lifetime expected credit losses are measured for all trade receivables, contract assets and operating lease receivables (which are assigned to Stage 2 or Stage 3) (see section 2.1.3.1.4.2).

Assets are assigned to Stage 3 when they are impaired due to the existence of a known credit risk (financial assets in default). In such cases, impairment for credit risk corresponds to the difference between all the cash flows that are due to an entity in accordance with the contractual provisions and all the cash flows that the entity expects to receive, discounted at the original effective interest rate, if applicable.

All other assets are assigned to Stage 2. Impairment for credit risk is subsequently measured at an amount equal to lifetime expected credit losses, based on available information. Entities may, in particular, use impairment calculation matrices based on how long past due the payment is.

2.1.3.1.4.5 Restructuring operations

Restructured loans are loans for which the entity has changed the original financial conditions due to the borrower's financial difficulties.

Restructuring processes are defined using two main criteria:

- concessions granted by the entity;
- the borrower's financial difficulties.

It is therefore necessary to analyse whether or not the contractual amendments to the loan relating to the borrower's financial difficulties will lead to derecognition of the loan.

Where the restructuring changes the contractual cash flows of the initial loan in a non-substantial manner, the initial loan is not derecognised. It is subject to a value adjustment (discount) made to reduce its carrying amount to the discounted amount, at the original effective interest rate of the loan, of the new expected future cash flows.

The interest rate discount recorded at the time of the loan restructuring is recorded in the income statement under "Cost of credit risk" and on the statement of financial position less the corresponding outstanding amount. The discount is then reclassified to the income statement in the interest margin in an actuarial manner over the term of the loan.

Any write-offs are recorded directly in profit or loss under "Cost of credit risk".

The restructured loan, which has not been derecognised, continues to be subject to the same assessments aimed at determining whether or not it has undergone a significant increase in credit risk since its initial recognition. To determine its allocation to the risk class and the amount of impairment for credit risk, a comparison is made between:

- the risk of default at the reporting date (based on the contractual conditions modified due to the restructuring); and
- the risk of default at the initial recognition date (according to the original, unmodified contractual conditions).

However, if the restructuring substantially modifies the contractual cash flows of the initial loan, the initial loan is derecognised and the new financial asset provided in exchange is recognised at its fair value at the date of the exchange. The difference in value recorded during this exchange is recognised in the income statement under "Cost of credit risk".

The restructuring date is therefore the initial recognition date for applying the provisions relating to the initial recognition of the new post-restructuring financial asset (see section 2.1.3.1.2.3) and the credit risk impairment rules (see section 2.1.3.1.4).

Given the various cases in which restructuring may lead to derecognition, a case-by-case analysis is conducted in order to decide on the allocation of the new post-restructuring financial asset to the risk class.

2.1.3.1.4.6 Uncollectibility of financial assets

When a financial asset is deemed non-collectable, i.e., there is no hope of full or partial recovery (including through the enforcement of any collateral), it should be derecognised from the statement of financial position and the amount deemed non-recoverable should be written off.

The timing of the write-off is determined by expert opinion. Each entity must therefore establish this timing based on its knowledge of its business.

Before any write-off, the financial asset should be transferred to Stage 3 and a lifetime expected credit loss should be recognised (with the exception of financial assets recognised at fair value through profit or loss).

For financial assets recognised at amortised cost or at fair value through other comprehensive income to be reclassified to profit or loss, the amount written off is recognised in the income statement under "Cost of credit risk".

2.1.3.1.5 Derivative financial instruments

A derivative is a financial instrument with the following three characteristics:

- its value fluctuates according to an interest rate, the price of a financial instrument, the price of commodities, a foreign exchange rate, a price or share price index, a credit rating or a credit index, or another variable called the underlying;
- it requires a low or zero net initial investment or lower than a non-derivative financial instrument to have the same sensitivity to changes in the underlying;
- it is settled at a future date.

Derivative instruments are financial assets and liabilities initially recognised in the statement of financial position at the transaction price. They are subsequently measured at fair value, regardless of whether they are held for trading or as part of a hedging relationship.

2.1.3.1.5.1 Derivative instruments held for trading

Derivatives are considered financial instruments held for trading, with the exception of derivatives that are part of a hedging relationship.

Derivative instruments held for trading are recognised in the statement of financial position under "Financial assets/liabilities at fair value through profit or loss". They are recognised as assets when their market value is positive and as liabilities when it is negative. Realised and unrealised gains and losses are recognised in the income statement under "Net gains and losses on financial instruments at fair value through profit or loss".

2.1.3.1.5.2 Derivative instruments and hedge accounting

The hedge accounting provisions of IFRS 9 will not be effective until the macro-hedge project has been finalised. They are therefore independent of the provisions of IFRS 9 on the classification, measurement and impairment of financial instruments.

The Caisse des Dépôts Group decided to apply the provisions of IFRS 9 for hedge accounting as from 1 January 2018 (excluding macro-hedging transactions, which are subject to a draft separate standard currently under review by the IASB and for which the provisions of IAS 39 adopted by the European Union continue to apply).

IFRS 9 includes some significant advances relative to IAS 39, among which:

- a better translation of entities' risk management policy in the financial statements, resulting in both an expansion of the scope of transactions eligible for hedge accounting and a better reflection of hedging transactions in profit or loss; and
- an easing of effectiveness testing, with the elimination of the retrospective effectiveness test and of the 80%-125% range.

Hedge accounting can be applied to a hedging relationship only if all of the following conditions have been met:

- eligibility of hedging instruments;
- eligibility of hedged items;
- existence of documentation from inception;
- compliance with the effectiveness criteria;
- eligibility of the types of hedging relationships.

Eligibility of hedging instruments

IFRS 9 does not change the conditions under which a derivative instrument may qualify as a hedging instrument.

Thus, a derivative may be designated in its entirety as a hedging instrument, with some exceptions such as the possibility of using only a portion of the notional amount of a derivative (and not a portion of its term).

Eligibility of hedged items

IFRS 9 expands the scope of hedged items that may be eligible for hedge accounting relative to IAS 39. As a result:

- financial assets qualified as debt instruments and recognised at amortised cost can now be hedged against interest rate risk even if the management intention is to hold them to maturity;
- financial assets qualified as equity instruments (shares) and recognised at fair value through other comprehensive income not to be reclassified to profit or loss under the option provided for may be hedged at fair value even though the changes in fair value never affect profit or loss.

Existence of documentation from inception

To best ensure that accounting hedges align with risk management, all hedging relationships must fall within a framework defined by:

- a risk management strategy that defines the general framework by identifying the risks to which the entity is exposed and describing how these risks are managed overall (risk management policy); and
- certain management objectives that represent the implementation of the overall strategy at the individual hedging transaction level.

The documentation required from the inception of the hedging relationship should therefore identify the hedging instrument, the hedged item and the nature of the risk being hedged and describe how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and an explanation of how it determines the hedge ratio, where applicable).

Compliance with the effectiveness criteria

The effectiveness criteria which must be satisfied in order to apply hedge accounting under IFRS 9 have been changed relative to IAS 39 and are based on a less rigid approach which relies more on the use of judgement.

The criteria, which relate to expectations about hedge effectiveness, should be assessed on a prospective basis. There are three criteria:

- there is an economic relationship between the hedged item and the hedging instrument (inverse correlation);
- changes in the value of the hedging instrument or the hedged item are not linked primarily to a change in the counterparty's credit risk;
- in the case of hedging with a derivative that approximates the risk being hedged, the hedge ratio (i.e., quantity of the hedged item/quantity of the hedging instrument) used for accounting purposes must correspond to the ratio used by the entity for risk management purposes. There must be no obvious imbalance.

Prospective effectiveness tests must be conducted at the inception of the hedging relationship and, at a minimum, on each reporting date.

Eligibility of the types of hedging relationships

Like IAS 39, IFRS 9 recognises three types of hedging relationships.

Hedging derivatives meeting the criteria required by IFRS 9 (and IAS 39 adopted by the European Union for macro-hedging transactions) are recognised in the statement of financial position under "Hedging instruments". By default, other derivative instruments are recognised in the balance sheet under "Financial assets/liabilities at fair value through profit or loss", even if economically they have been subscribed to with a view to hedging one or more transactions.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.

In a fair value hedging relationship, the hedging instruments are measured at fair value in the statement of financial position (under "Hedging instruments"), with an offsetting entry in:

- the income statement, together with the gains and losses that arise on the hedged item (general case) (under "Net gains and losses on financial instruments at fair value through profit or loss" in the income statement);
- other comprehensive income not to be reclassified to profit or loss, together with the gains and losses that arise on the hedged equity instruments when the latter are recognised at fair value through other comprehensive income not to be reclassified to profit or loss under the option provided for (under "Other comprehensive income" in the statement of financial position).

In the statement of financial position, the gain or loss from remeasuring the hedged item is recognised based on the classification of the hedged item in a relationship hedging identifiable assets or liabilities.

An entity should discontinue fair value hedge accounting prospectively only when the hedging relationship no longer meets the eligibility conditions. In this situation:

- the hedging instrument continues to be recognised in the statement of financial position at fair value through profit or loss but is reclassified to "Financial assets/liabilities at fair value through profit or loss". If it no longer exists, the hedging instrument is derecognised;
- the hedged item continues to be recognised in the statement of financial position in the manner in which it had been recognised before the hedging transaction, unless it no longer exists, in which case it is derecognised. The hedged item is no longer adjusted for any changes in fair value related to the risk being hedged. The gains or losses recognised in the statement of financial position for the previously-hedged risk are amortised over the remaining life of the hedged item.

Macro-hedging

The Caisse des Dépôts Group applies the provisions of IAS 39 adopted by the European Union to macro-hedging transactions carried out as part of the asset/liability management of fixed-rate positions.

Some Group entities conduct an overall analysis of their interest rate risk. This analysis consists in assessing interest rate risk on all fixed rate elements recognised on the statement of financial position that generate such risk. These entities select the financial assets and liabilities that must be included in the interest rate risk hedging of the macro-hedging portfolio. These financial assets and liabilities are classified by portfolio maturity time intervals. Therefore, when these items are removed from the portfolio, they must be removed from all the time buckets to which they were allocated.

The entities constitute homogeneous portfolios, mainly loans and bond issues. Based on this differential analysis, performed on a net basis, they define the risk exposure to be covered, the length of time intervals, the test method and the frequency at which the tests are performed.

The macro-hedging instruments used by these entities are essentially simple interest rate swaps designated upon their establishment as fair value hedges of fixed-rate sources or uses. The effectiveness of these hedging relationships is evidenced through target schedules. The purpose of forward-looking effectiveness testing (carried out on the hedge designation date) and retrospective effectiveness testing (performed on each half-year and annual reporting date) is to ensure that there is no over-hedging. They are verified if, for each maturity band of the target schedule, the nominal amount of the hedged items is greater than the notional amount of hedging derivatives.

Macro-hedging instruments are derivatives whose accounting treatment is identical to that described for fair value hedges. In particular, they are recognised at fair value.

Revaluations relating to the hedged risk are recognised on the statement of financial position (either as assets or liabilities depending on whether the hedged-item groups are assets or liabilities) under "Cumulative fair value adjustments to portfolios hedged against interest rate risk".

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial instruments or a highly probable forecast transaction.

In a cash flow hedging relationship, hedging instruments are measured at fair value in the statement of financial position (under "Hedging instruments"), with an offsetting entry to "Other comprehensive income" for the effective portion (equity) and to "Net gains and losses on financial instruments at fair value through profit or loss" for the ineffective portion (income statement).

The amounts accumulated in equity over the life of the hedge are taken to profit or loss under "Interest income" or "Interest expense" as and when the hedged item itself affects profit or loss.

Hedged items continue to be accounted for under the rules applicable to their category.

An entity should discontinue cash flow hedge accounting prospectively only when the hedging relationship no longer meets the eligibility conditions. In this situation:

- the hedging instrument continues to be recognised in the statement of financial position at fair value through profit or loss but is reclassified to "Financial assets/liabilities at fair value through profit or loss". If it no longer exists, the hedging instrument is derecognised;
- the cumulative gain or loss on the hedging instruments that has been recognised in equity will remain in equity until the forecast transaction affects profit or loss or until the transaction is no longer expected to occur, in which case it is reclassified to profit or loss;
- if the hedged item no longer exists, the amounts accumulated in equity are recognised immediately in profit or loss.

Net investment hedges

A net investment hedge is a hedge of the exposure to unfavourable changes in fair value attributable to the currency risk on an investment other than in euros. The recognition principles applicable to net investment hedges are identical to those for cash flow hedges.

Irrespective of the hedging strategy, hedge ineffectiveness is recognised in profit or loss under "Net gains and losses on financial instruments at fair value through profit or loss" in the income statement (with the exception of fair value hedges of equity instruments recognised at fair value through other comprehensive income not to be reclassified to profit or loss under the option provided for, for which hedge ineffectiveness is recognised in the statement of financial position under "Other comprehensive income").

The Caisse des Dépôts Group has also chosen to recognise certain hedged items and the related hedging instruments under "Financial assets/liabilities at fair value through profit or loss" as allowed under IFRS 9. This treatment has been applied primarily to government bonds and negotiable debt securities hedged by swaps under asset swap agreements.

2.1.3.1.6 Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that meets the definition of a derivative instrument. This designation applies only to financial liabilities and not to financial assets, for which the financial asset as a whole must be recognised in accordance with the provisions of IFRS 9 as described in section 2.1.3.1.2.3 (i.e., a derivative embedded in a financial asset cannot be separated).

Derivatives embedded in a financial liability must be separated from the host contract and recognised as derivatives if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- separated from the host contract, the embedded component has the characteristics of a derivative;
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

An embedded derivative that is accordingly separated from the financial liability is recognised at fair value under "Financial liabilities at fair value through profit or loss".

2.1.3.1.7 Fair value of financial instruments

Financial assets and liabilities at fair value through profit or loss, hedging instruments and financial assets at fair value through other comprehensive income (to be and not to be reclassified to profit or loss) are measured and recognised at fair value on initial recognition and at subsequent reporting dates.

Fair value as defined by IFRS 13 is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Caisse des Dépôts Group determines the fair value of financial instruments based on either prices obtained directly from external inputs or from valuation techniques. The valuation techniques applied are primarily the market approach and the income approach, which draw on several widely used techniques such as discounted cash flow and adjusted net asset value models. These approaches maximise the use of observable inputs and minimise the use of unobservable inputs. Valuation techniques are calibrated to reflect current market conditions.

Assets and liabilities recognised or shown at fair value correspond to the following levels in the fair value hierarchy:

- level 1: fair value is determined using prices quoted in active markets (unadjusted) for identical assets or liabilities. An active market is a market in which transactions in the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;
- level 2: fair value is determined using valuation techniques that chiefly rely on directly or indirectly observable market inputs. These techniques are regularly calibrated and the inputs corroborated by data from active markets (“market-corroborated data”);
- level 3: fair value is determined using valuation techniques that chiefly rely on unobservable inputs or on inputs that cannot be corroborated by market data, for example due to a lack of liquidity for the instrument or to a significant model risk. Unobservable inputs are inputs for which no market data is available, and which therefore result from internal assumptions based on data that would be used by other market participants. Judgement is involved in determining when there is a lack of liquidity or a risk relating to the use of a model.

When several inputs are used to calculate the fair value of a financial asset or liability, the fair value obtained is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire fair value measurement.

Unlisted equity instruments

The fair value of unlisted equity instruments is generally computed using a number of different techniques (discounted cash flows, adjusted net asset value or multiples for comparable companies):

- if fair value is based on data relating to comparable listed companies or, for property investments, on a revaluation of property using observable market inputs, equity instruments are classified in level 2 of the fair value hierarchy;
- however, if fair value is based on discounted cash flows or adjusted net asset value using internal company data, the equity instruments are classified in level 3 of the fair value hierarchy.

  This also applies to instruments measured using the multiples approach when the inputs require significant adjustments based on unobservable inputs to reflect factors specific to the entity concerned.

2.1.3.1.8 Offsetting of financial assets and liabilities

In accordance with IAS 32 "*Financial Instruments: Presentation”*, the Caisse des Dépôts Group offsets a financial asset and a financial liability and presents a net amount when, and only when:

- it has a legally enforceable right to set off the recognised amounts; and
- it intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The legally enforceable right must be irrevocable and must be able to be exercised in all circumstances.

This right applies to all transactions by the clearing house and applies to nominal cash amounts and interest incorporated into the repayment flow.

Repurchase agreements whose operating principles meet the two criteria required by the standard are offset on the statement of financial position where:

- they have the same maturity dates;
- they are carried out in the same currency;
- they are settled through a settlement-delivery system guaranteeing the delivery of securities against the receipt of corresponding cash;
- the securities are deposited with the same custodian.

Offsetting primarily concerns repo transactions carried out with the LCH Clearnet and Eurex clearing houses.

2.1.3.1.9 Financial guarantees given

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that the holder suffers because a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently at the higher of:

- the amount of impairment determined using the ECL method as described in “Impairment for credit risk” (see section 2.1.3.1.4); or
- the amount initially recognised less, where applicable, the total income recognised in accordance with the principles of IFRS 15.

They are reported in liabilities, under “Provisions”.

2.1.3.1.10 Financing commitments

Financing commitments that are not considered derivatives within the meaning of IFRS 9 or that are not designated as financial liabilities measured at fair value through profit or loss under the fair value option are not recognised in the statement of financial position.

However, they are covered by provisions determined using the ECL method under IFRS 9 as described in "Impairment for credit risk" (see section 2.1.3.1.4).

They are reported in liabilities, under "Provisions".

Financing commitments whose conditions are below market conditions must also be recognised initially at fair value. This fair value gives rise to the recognition of a discount in profit or loss as soon as the lending commitment is made (the discount represents the difference between the rate granted and the market rate on an actuarial basis), with an offsetting entry to a provision account in liabilities.

Financing commitments that have been entered into at a below-market interest rate are subsequently measured at the higher of:

- the amount of impairment determined using the ECL method as described in "Impairment for credit risk" (see section 2.1.3.1.4); or
- the amount initially recognised less, where applicable, the total income recognised in accordance with the principles of IFRS 15.

2.1.3.2 Insurance activities

2.1.3.2.1 Overview

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

IFRS 17 applies to:

- insurance and reinsurance contracts issued;
- reinsurance contracts held;
- investment contracts with a discretionary participation feature.

Contracts that do not fulfil the criteria for classification as either insurance contracts or financial instruments without discretionary participation features fall within the scope of:

- IFRS 15, when they correspond to the provision of services; or
- IAS 19, for contracts held in connection with benefit plans in favour of Group employees; or
- IFRS 9, for investment contracts without discretionary participation features.

Insurance contracts written by the Caisse des Dépôts Group that are recognised and measured in accordance with IFRS 17 include:

- insurance contracts that transfer a significant risk to the insurer. This category covers death and disability, pension, property and casualty contracts and unit-linked savings contracts with a capital guarantee;
- financial instruments with discretionary participation features (DPF), comprising both traditional savings contracts with DPF and unit-linked contracts including a traditional savings component with DPF.

Note: references below to insurance contracts include investment contracts with discretionary participation features and reinsurance contracts held, except where these are explicitly mentioned.

2.1.3.2.1.1 Insurance contracts

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

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

Insurance contracts include contracts with direct participation features and contracts without direct participation features.

In substance, insurance contracts with direct participation features are contracts for investment-related services, in which the entity promises a return on the underlying assets. They are defined as insurance contracts for which, at inception:

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

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

All other insurance contracts and all reinsurance contracts (both issued and held) are insurance contracts without direct participation features. They include:

- insurance contracts with indirect participation features (indirect participating contracts), for which the amounts payable to the policyholder depend on the fair value returns on the underlying items, without however meeting the criteria for classification as insurance contracts with direct participation features;
- insurance contracts without any participation features (non-participating contracts), for which the amounts payable to the policyholder do not depend on the fair value returns on the underlying items.

2.1.3.2.1.2 Investment contracts with discretionary participation features

An investment contract is a contract that does not expose the insurer to a significant insurance risk.

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

- that are expected to be a significant portion of the total contractual benefits;
- the timing or amount of which is contractually at the discretion of the issuer;

- and that are contractually based on:
  - the return on a specified pool of contracts or a specified type of contract,
  - realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or
  - the profit or loss of the entity or fund that issues the contract.

2.1.3.2.2 Separating the components of an insurance contract

The following components are separated from insurance contracts and accounted for in accordance with the IFRSs applicable to them:

The separate embedded derivatives to which IFRS 9 applies:

- separate investment components;
- other performance obligations, for example a promise to transfer non-insurance goods or services;
- separate goods or services other than services provided under the insurance contract, accounted for in accordance with IFRS 15.

The other remaining components of the host contract fall within the scope of IFRS 17, including embedded derivatives or investment components that have not been separated.

2.1.3.2.3 Level of aggregation of insurance contracts

Contracts are allocated to a group of contracts on initial recognition, for the purposes of their recognition, measurement, presentation and disclosure in the notes to the financial statements.

Groups of contracts are determined in a three-step process:

- the first step consists of allocating the contracts to portfolios. A portfolio comprises contracts that are subject to similar risks and managed together;
- the second step involves allocating each contract in the portfolio to one of the following three groups depending on the contract’s expected profitability at initial recognition:
  - a group of contracts that are onerous (loss-making) at initial recognition, if any,
  - a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any,
  - a group of the remaining contracts in the portfolio, if any;
- the third step is to ensure that no group includes contracts issued more than one year apart (annual cohorts requirement).

To avoid the economic reality of insurance contracts involving intergenerational pooling of risks not being properly reflected in the financial statements, the European Union has introduced an optional exemption from the application of this annual cohort requirement (article 2 of Regulation EU No. 2021/2036 of 19 November 2021). The Group has chosen to apply this exemption.

Contracts are assigned to a group and accounting model upon initial recognition. A group of contracts or the accounting model cannot be changed, except in the case of a contract modification within the meaning of IFRS 17.72, i.e., when the terms of an insurance contract are modified, for example by agreement between the parties to the contract or by a change in regulations.

2.1.3.2.4 Date of initial recognition

A group of insurance contracts is recognised from the earliest of the following dates:

- the start of the coverage period of the group of contracts;
- the date on which a policyholder's first payment becomes due or, if there is no due date, the date on which the first payment is received;
- in the case of a group of onerous contracts, the date on which the group becomes loss-making.

2.1.3.2.5 Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows generated by the costs of selling, underwriting and creating a group of insurance contracts.

Insurance acquisition cash flows recognised in the reporting period are calculated using metrics that are representative of the services rendered during the period (premiums, mathematical provisions, etc.).

They are allocated to groups of insurance contracts using a systematic and rational method.

When the cash outflow occurs before initial recognition of the group of contracts, it is recognised in assets as a deduction from the carrying amount of the insurance contracts.

If an impairment loss is identified, the carrying amount of the asset recognised for insurance acquisition cash flows is adjusted and the impairment loss is recognised in profit or loss.

The asset is derecognised, in whole or in part, when the insurance acquisition cash flows are included in the value of the corresponding group of insurance contracts.

The recoverability of these assets is reviewed at each reporting date if facts and circumstances indicate that they may be impaired.

The assets are amortised separately for each group of contracts.

2.1.3.2.6 Measurement of insurance contracts

IFRS 17 proposes three accounting models with different methods of application, both for the measurement of obligations and their recognition in the statement of financial position and the income statement. Each type of insurance contract has its own accounting model:

- the general Building Block Approach (BBA), which is the default model;
- the Variable Fee Approach (VFA), an alternative to the general model that takes account of the specific features of insurance contracts with direct participation features (e.g., segregated funds and variable capital contracts);
- the Premium Allocation Approach (PAA), a simplified version of the general model. Application of this model is optional when certain criteria are met.

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

The Group makes limited use of the PAA model, which is restricted primarily to Brazilian and Irish contracts that fulfil the related criteria.

2.1.3.2.6.1 General BBA model and VFA model

Initial recognition

On initial recognition, there is no difference between the BBA and VFA models (except for groups of insurance contracts qualifying for the European carve-out on annual cohorts). In both cases, the liability is measured based on three building blocks:

- fulfilment cash flows, comprising two blocks:
  - Best Estimate (BE) of future cash flows,
  - a non-financial risk adjustment (RA);
- a contractual service margin (CSM).

Best Estimates of future cash flows

The measurement of a group of insurance contracts includes all future cash flows within the scope (boundary) 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.

Cash flows included in the boundary

The contract boundary determines all cash flows directly linked to the fulfilment of the insurance contract and service. These include premiums paid by the policyholder, payments to the policyholder, insurance acquisition cash flows allocated to the portfolio to which the contract belongs, claims handling expenses, and an allocation of fixed and variable overheads that are directly attributable to the fulfilment of the insurance contract.

Costs that are not directly attributable to insurance contracts are recognised directly in the income statement when incurred.

Estimated future cash flows

The purpose of estimating future cash flows is to determine the expected value of a set of scenarios that reflects the full range of possible outcomes.

Estimates of future cash flows must:

- incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and certainty of future cash flows at the reporting date, including estimated mathematical expectations (i.e., the probability-weighted average) of the full range of possible outcomes;
- reflect the Group's views, provided that estimates of the relevant market variables are consistent with observable market prices for those variables;
- be up to date – estimates should reflect the conditions existing at the measurement date, including assumptions about the future at that date;
- be 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 the Group's partners in market conditions far removed from the current situation.

Discount rate

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 have not been 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.

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

The Group has opted to use the bottom-up approach whereby the yield curve is determined as the sum of two components: a market risk-free rate and a liquidity premium reflecting the insurance contracts' cash flow and liquidity characteristics.

The discount curves used by the Group may vary depending on the market. They are generally based on observed market rates using the risk-free yield curve,

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

Two types of discount curve are used depending on the nature of the cash flows to be discounted and the accounting method and the accounting aggregates to be impacted:

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

This section covers all the currencies to which the insurance 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 Group's presentation currency.

An adjustment or liquidity premium is then 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 Caisse des Dépôts 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 the insurance subsidiaries, 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 (macroeconomic 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.

The Group 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 portfolio and the market. Market volatility is not expected to have a material impact on the Equities portfolio, because on average the portfolio's volatility is lower and more stable than that of the market, largely due to the insurance subsidiaries' asset management policies.

Risk Adjustment for non-financial risks (RA)

A risk adjustment for non-financial risks is applied to the estimated present value of future cash flows (contracts exposed to an insurance risk only), to reflect the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows (premiums, claims, benefits, expenses, etc.) that arises from non-financial risk.

The RA for non-financial risks is determined using a fixed percentile common to all subsidiaries and identified risks.

It 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.

This adjustment is released to net banking income on the line “Insurance service expenses”.

Contractual service margin (CSM)

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

It is determined as the difference between premiums received, as adjusted for acquisition costs already paid, and contract fulfilment cash flows (BE and RA).

No income or expense is recognised in the income statement on initial recognition, except in the case of onerous contracts where the expected loss (negative CSM) is recognised immediately in the income statement. The loss component is monitored until the contract is derecognised or becomes profitable.

Subsequent measurement

At each reporting date, the carrying amount of a group of insurance contracts is re-estimated at an amount equal to the sum of:

- the liability for remaining coverage (LRC), comprising the fulfilment cash flows related to future services allocated to the group at that date and the contractual service margin of the group at that date;
- the liability for incurred claims (LIC), comprising the fulfilment cash flows related to past service, i.e., incurred claims and related expenses that have not yet been paid, including claims incurred but not yet reported.

Changes in fulfilment cash flows are recognised as follows:

- changes in fulfilment cash flows related to future service are recognised by adjusting the CSM (or recognised in the insurance service result in the case of a group of onerous contracts);
- changes in fulfilment cash flows related to current or past service are recognised in the insurance service result;
- the effect of the time value of money, financial risk and related changes on future cash flows is recognised in finance income or finance expense from insurance contracts.

The CSM is recognised in profit or loss for the period based on the number of coverage units in the group, corresponding to the quantity of insurance contract services provided by the contracts in the group and the expected coverage period.

Coverage units are determined prospectively at the end of each reporting period, taking into account:

- the quantity of services provided under the group of contracts;
- the expected coverage period of the group of contracts; and
- the probability of insured events occurring, only to the extent that they affect the expected coverage period of the group of contracts.

Coverage units are 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.

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

- savings and pensions: mathematical provisions;
- term creditor insurance: outstanding principal, principal at risk;
- individual death/disability insurance:
  - funeral insurance: insured amount, principal at risk,
  - long-term care insurance: insured amount for home improvements, number of contracts,
  - term life insurance: premiums;
- Group death/disability insurance: these are annual contracts and the total CSM is therefore recognised in profit in the reporting year.

The CSM for each group of contracts is calculated at each reporting date as follows, depending on whether the contracts are without direct participation features (BBA model) or with direct participation features (VFA model):

Measurement using the BBA model

At each reporting date, the carrying amount of the CSM is adjusted to take into account, for all contracts:

- the effect of new contracts added to the group;
- interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rate used to determine the CSM’s value at inception of the group of contracts;
- changes in fulfilment cash flows (estimates of the present value of future cash inflows and outflows related to insurance services provided over the remaining coverage period, excluding estimates of amounts to be paid in respect of incurred claims, which are measured separately);
- the amount recognised in insurance revenue in respect of insurance services provided during the period under the insurance contracts (CSM released to profit or loss).

If an insurance contract becomes onerous after the CSM has been released to profit or loss, the loss on the contract is recognised in the reporting period. If an onerous contract becomes profitable as a result of favourable changes in assumptions, the loss component is set off against the profit and the balance, if any, is allocated to the CSM.

Measurement using the VFA model

The variable fee approach (VFA) is used to reflect in the accounts the specific nature of the services provided by directly participating insurance contracts. These are contracts under which the Group's liability to the policyholder corresponds to the difference between:

- the obligation to pay the policyholder an amount corresponding to a share of the fair value returns on the underlying items. Changes in this obligation are recognised directly in profit or loss as they are not related to future services and do not therefore give rise to any adjustment to the CSM;
- variable fees for future services under the insurance contract.

The VFA model's adaptations compared to the general model modify the subsequent treatment of the CSM to reflect the specific characteristics of participating contracts, so that the CSM systematically represents:

- the insurer's share of the fair value returns on the underlying items, which is recorded in fulfilment cash flows through finance income or expenses from insurance contracts; and
- future profits from other insurance contract services (contracts where the insurance service represents a non-substantial component of future profits).

Fulfilment cash flows that do not vary in line with the fair value returns on the underlying items and that relate to past services are recognised in profit or loss.

At each reporting date, the CSM is measured as opening CSM adjusted for:

- the effect of new contracts added to the group;
- the change in the Group's share of the fair value returns on the underlying items and the changes in fulfilment cash flows related to future services;
- the amount recognised in insurance revenue in respect of insurance services provided during the period under the insurance contracts (CSM released to profit or loss).

The CSM for direct participating contracts is not explicitly adjusted for interest accretion, unlike under the general model. The adjustment to the CSM for changes in the Group's share of the fair value returns on the underlying items already includes an adjustment for financial risks, and represents an implicit adjustment using current rates for the time value of money and other financial risks.

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 including 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.

The standard permits the use of financial instruments at fair value through profit or loss (notably derivatives) or reinsurance contracts held to mitigate the effect of the time value of money and financial risk on contracts with direct participation features. Risk mitigation measures are mainly applied to reinsurance contracts held.

Where the conditions are met, the Group has chosen not to recognise the following items within CSM, as would have been the case under the VFA model, but to recognise them in profit or loss, in order to offset them against changes in the fair value of the hedging instruments used. This option concerns:

- the amount corresponding to the Group's share of the fair value of the underlying items;
- changes in the effect of the time value of money and financial risks that do not result from the underlying items.

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. The amount of finance expense corresponding to the risk mitigation effect is recognised in full in profit or loss as the OCI option is not applied to reinsurance contracts held by head office entities.

This application of IFRS 17 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.

2.1.3.2.6.2 PAA model

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

- the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general model. Paragraph 54 of IFRS 17 specifies the cases in which this condition cannot be verified; or
- the coverage period is one year or less.

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 general model's three building blocks for liabilities are replaced by a provision for unearned premiums (formation).

The carrying amount of the liability for remaining coverage on initial recognition is equal to the premiums received at initial recognition, minus any acquisition cash flows at that date, plus or minus any amount arising from the derecognition at that date of any asset for insurance acquisition cash flows.

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.

2.1.3.2.7 Measurement of reinsurance contracts

This section describes the specific features of the measurement models applied by the Caisse des Dépôts Group to reinsurance contracts held and issued in accordance with IFRS 17.

2.1.3.2.7.1 Definition of inward reinsurance portfolios (reinsurance issued)

Inward reinsurance corresponds to the assumption by the Group of certain insurance risks underwritten by other companies, resulting in the recognition of groups of reinsurance contracts issued.

IFRS 17 does not include any specific guidance on the accounting treatment of groups of reinsurance contracts issued. Consequently, the provisions of IFRS 17 relating to the recognition and measurement of insurance contracts are applied.

The Group's position is not to create IFRS 17 portfolios specifically for inward reinsurance.

2.1.3.2.7.2 Definition of outward reinsurance portfolios (reinsurance held)

Outward reinsurance corresponds to the transfer of insurance risk and the corresponding premiums to other reinsurers that will share the risks.

The Group has chosen to align the definition of portfolios of reinsurance contracts held with the definition of direct insurance portfolios. This is because the contracts in question 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. Lastly, the grouping of several reinsurance contracts in the same portfolio enables the Group 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.

2.1.3.2.7.3 Contract boundaries

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

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

- 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;
- 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 Caisse des Dépôts 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 contract covering them.

2.1.3.2.7.4 Measurement model

Reinsurance contracts held or issued are measured using the BBA and PAA models if the eligibility criteria are met.

The VFA model cannot be applied to these contracts because they do not include any direct participation features.

All reinsurance contracts related to the Group's activities in France are measured using the BBA general model.

Reinsurance contracts are designed to cover claims incurred under underlying contracts written during a specified period.

The measurement of reinsurance contracts held is based on the principle of mirroring the underlying insurance contracts:

- fulfilment cash flows are estimated using consistent assumptions to determine the present value of the future cash flows of the group of reinsurance contracts and the future cash flows of the underlying groups of insurance contracts;
- the non-financial risk adjustment represents the amount of risk transferred by the holder of the group of reinsurance contracts to the issuer of these contracts. As the risk of non-performance by the reinsurer is not a risk transferred to the reinsurer by the ceding company, it is only reflected in the present value of future cash flows of the reinsurance contract and not in the contract risk adjustment;
- the CSM on initial recognition of the group of reinsurance contracts represents a net cost (or net gain in some cases) on purchasing the reinsurance, as there is no unearned profit on a group of reinsurance contracts. The net reinsurance cost or gain is recognised in profit or loss over the coverage period of the reinsurance contracts.

The CSM is adjusted through profit or loss when a loss is recognised on the initial recognition of a group of onerous underlying insurance contracts or on the addition of onerous underlying insurance contracts to the group.

2.1.3.2.8 Derecognition and modification of contracts

The Caisse des Dépôts Group derecognises an insurance contract when:

- the contract is extinguished, i.e., when the insurer’s obligation expires, is discharged or is cancelled; or
- 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.

2.1.3.2.9 Risk mitigation measures

The standard permits the use of financial instruments at fair value through profit or loss (notably derivatives) or reinsurance contracts held to mitigate the effect of the time value of money and financial risk on contracts with direct participation features. Risk mitigation measures are mainly applied to reinsurance contracts held.

Where the conditions are met, the Group has chosen not to recognise the following items within CSM, as would have been the case under the VFA model, but to recognise them in profit or loss, in order to offset them against changes in the fair value of the hedging instruments used. This option concerns:

- the amount corresponding to the Group’s share of the fair value of the underlying items;
- changes in the effect of the time value of money and financial risks that do not result from the underlying items.

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. The amount of finance expense corresponding to the risk mitigation effect is recognised in full in profit or loss as the OCI option is not applied to reinsurance contracts held by head office entities.

This application of IFRS 17 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.

2.1.3.2.10 Intra-group margin

La Banque Postale group, controlled by the Caisse des Dépôts Group, distributes and manages insurance contracts on behalf of its subsidiaries. This activity generates distribution and management costs which are included in the Group's income statement.

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

Under IFRS 17, the Best Estimate includes all costs associated with insurance activities, including the cost 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 Group level, 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.

As a result, the Group CSM is different from the sum of the insurance subsidiaries' CSMs. It includes a component representing the intra-group margin, which is determined by applying an estimated cost/income ratio to distribution and management fees. The cost/income ratio is calculated based on the bank's observed cost of insurance products. This margin is included in the CSM at La Banque Postale group level.

2.1.3.2.11 Presentation in the financial statements

2.1.3.2.11.1 Statement of financial position

The carrying amounts of the following portfolios are presented separately in the consolidated statement of financial position:

- insurance contract assets;
- insurance contract liabilities;
- reinsurance contract assets;
- reinsurance contract liabilities.

2.1.3.2.11.2 Income statement

Insurance revenue

Revenues from insurance contracts reflect the consideration to which the Group expects to be entitled in exchange for the services provided under the contracts. Revenues for the reporting period include the amount representing the premium received that covers insurance service expenses and the margin expected in respect of services provided during the period.

Insurance service expenses

Insurance service expenses arising from insurance contracts issued are generally recognised in profit or loss for the period in which they are incurred.

Expenses for the period include expenses for claims incurred in respect of services rendered during the period or in previous periods, and other amounts such as amortisation of insurance acquisition cash flows, losses on onerous contracts and reversals of such losses.

Payments relating to investment components are excluded from insurance service expenses.

Reinsurance income and expenses

Income and expenses on reinsurance held represent amounts recovered from reinsurers and the allocation of premiums paid in respect of this cover.

Finance income or expense from insurance contracts issued

Finance income or expense from insurance contracts issued consists of changes in the carrying amount of groups of insurance and reinsurance contracts resulting from the effects of the time value of money, financial risk and related changes.

IFRS 17 requires an accounting policy choice to be made as to whether to disaggregate insurance finance income or expense from insurance contracts between profit or loss and other comprehensive income (OCI).

This choice of accounting method applies at the level of each portfolio of contracts.

Under certain conditions, the OCI option allows changes in the value of insurance liabilities to be recognised directly in equity rather than through profit or loss. This option mainly concerns the effect of changes in the discount rate applied to insurance liabilities.

It 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.

The Group applies this option by mirroring the recognition in other comprehensive income of gains and losses on the underlying assets representing insurance obligations.

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 other comprehensive income 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.

2.1.3.3 Investments in equity-accounted companies

The Group's interests in associates and joint ventures are accounted for by the equity method.

Under this method, the investment in an associate or joint venture is initially recognised at cost and subsequently adjusted to reflect any changes in the Group's share in the investee's net assets after the acquisition date. Goodwill relating to interests in associates and joint ventures is included in the carrying amount of the investment.

The Group's share of the earnings of associates and joint ventures is reflected in the income statement under "Share of profit (loss) of equity-accounted companies".

After the equity method is applied, the Caisse des Dépôts Group's interest in an associate or joint venture is impaired and an impairment loss is recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the interest (loss event) and if that loss event (or events) has an impact on the estimated future cash flows of the interest that can be reliably estimated. The losses expected as a result of future events are, however, not recognised.

If there is objective evidence of impairment, the full amount of the equity-accounted investment is tested for impairment in accordance with IAS 36 "Impairment of Assets". An impairment loss is recognised if the recoverable amount of the investment, reflecting the higher of its fair value less the costs of disposal and its value in use, is lower than its carrying amount.

When an impairment loss is recognised, it is charged against the value of the equity-accounted investment in the statement of financial position, and may subsequently be reversed if the value in use or fair value less the costs of disposal increases. The impairment loss is recognised in the income statement under "Share of profit (loss) of equity-accounted companies".

If the Group's share in the losses of an equity-accounted company equals or exceeds its interest in that equity-accounted company, the Caisse des Dépôts Group ceases to recognise its share of further losses. Its interest is then reduced to zero. Additional losses of the associate or joint venture are provided for only to the extent that the Group has incurred legal and constructive obligations or made payments on behalf of the associate or joint venture.

When an interest in a joint venture becomes an interest in an associate (and vice versa), any retained interest in the investment is not revalued. This also applies to partial acquisitions and sales that do not result in a change of control.

Any gains or losses resulting from sales of investments in associates and joint ventures are recognised in the income statement under "Net gains and losses on other assets".

2.1.3.4 Non-current assets held for sale and related liabilities, discontinued operations

A non-current asset or a disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset or disposal group is reported on a separate line of the statement of financial position when it is highly probable that the sale of the asset will be completed within 12 months.

As soon as they are classified as held for sale, non-current assets and disposal groups are carried at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated/amortised. However, the financial assets continue to be measured in accordance with the principles of IFRS 9.

Any impairment recognised on non-current assets held for sale and disposal groups is recognised in profit or loss and may be reversed in subsequent periods.

An operation is considered as discontinued when the related assets fulfil the criteria for classification as held for sale or when the operation has been sold. The profits or losses from discontinued operations are shown on a single line of the income statement for the periods presented. The reported amounts include the net profit or loss of the discontinued operations up to the date of sale and the after-tax disposal gain or loss.

2.1.3.5 Foreign currency transactions

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are converted into each Group entity's functional currency at the year-end exchange rate.

The resulting conversion gains and losses are recognised in profit or loss. As an exception to this principle, for monetary assets classified as financial assets at fair value through other comprehensive income, only the portion of the conversion gain or loss calculated on these assets' amortised cost is recognised in profit or loss, with the other portion recognised in equity.

Concerning non-monetary assets:

- assets measured at historical cost are converted at the exchange rate on the transaction date;
- assets measured at fair value are converted at the exchange rate on the fair value measurement date.

Conversion gains and losses on non-monetary items are recognised in profit or loss if the gain or loss on the non-monetary item is also recognised in profit or loss, or in equity if the gain or loss on the non-monetary item is also recognised in equity.

2.1.3.6 Employee benefits

Benefits granted to the Group's employees fall into four categories:

- short-term benefits, such as salaries, paid annual leave, matching payments to employee savings plans, and discretionary and non-discretionary profit-sharing;
- post-employment benefits, corresponding to pensions, statutory length-of-service awards payable to employees on retirement, end-of-career arrangements, and medical cover;
- other long-term benefits such as jubilee, long-service benefits and time savings accounts;
- termination benefits.

2.1.3.6.1 Short-term benefits

Short-term benefits are employee benefits expected to be paid within 12 months of the end of the reporting period in which the employees render the related service. A liability and an expense are recognised when the Group has a contractual obligation or constructive obligation arising from past practices.

2.1.3.6.2 Post-employment benefits

Post-employment benefits comprise defined contribution plans and defined benefit plans.

Obligations under defined contribution plans are generally covered by contributions paid to a pay-as-you-go pension scheme or to an insurance company that manages benefit payments or by the French State for public service employees. In all cases, the contributions are in full discharge of any future liability for the Caisse des Dépôts Group. Contributions paid are expensed as incurred.

Defined benefit plans are plans under which the Group has an obligation to pay agreed benefits to current and former employees. These plans give rise to a medium- or long-term liability which is measured and provisioned in the financial statements.

In accordance with IAS 19, the projected benefit obligation is measured by the projected unit credit method based on a range of actuarial, financial and demographic assumptions. The projected unit credit method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Units of benefit entitlement are determined based on the discounted present value of the future benefits.

The discount rate used by the Group is determined by reference to the yield on investment-grade corporate bonds with a similar maturity to that of the benefit obligation within the same monetary area.

The provision for defined post-employment benefits is therefore equal to the present value of the defined benefit obligation at the end of the reporting period, calculated by the projected unit credit method, less the fair value of the plan assets, if any.

The provision is adjusted at the end of each reporting period to reflect changes in the projected benefit obligation.

All gains or losses on remeasuring the net defined benefit obligation (asset) are recognised immediately in equity under “Other comprehensive income” and are not reclassified to profit or loss in subsequent periods. These include actuarial gains and losses arising on changes in actuarial assumptions and experience adjustments, as well as the return on plan assets and the change in any asset ceiling (excluding amounts taken into account in calculating the net interest cost on the defined benefit obligation (asset)).

The annual cost of defined benefit plans recognised in personnel expenses reflects:

- the cost of services rendered by employees during the period (service cost);
- the cost of services rendered by employees in previous periods (past service cost), resulting from plan amendments or curtailments, as well as gains and losses on any plan settlements;
- the net interest cost related to discounting the net defined benefit obligation (asset). The interest rate used to calculate the expected return on plan assets is the same as the discount rate applied to the provision.

Outside France, Group employees are covered by various compulsory contributory pension schemes. The corresponding obligations are funded by contributions to company pension funds or recognised in the financial statements of the companies concerned.

2.1.3.6.3 Other long-term benefits

Other long-term benefits are benefits other than short-term benefits, post-employment benefits and termination benefits, that are not expected to be paid in the 12 months after the end of the period in which the employees render the related service.

They are measured and recognised on a similar basis to defined post-employment benefits, except that actuarial gains and losses are recognised directly in profit or loss.

2.1.3.7 Provisions for commitments on home savings contracts

Obligations related to home savings accounts (CEL) and home savings plans (PEL) reported under “Amounts due to customers” can have potentially unfavourable consequences for the Group, which are covered by provisions recorded in liabilities (under “Provisions”). Changes in these provisions are taken into account for the determination of the net interest margin included in net banking income.

The provisions are estimated on the basis of customer behaviour statistics and market data for each generation of plans, in order to cover the future cost arising from the products’ potentially unfavourable interest rate terms relative to the rates offered to retail customers for similar products for which the remuneration is not regulated. The provisions only concern obligations in respect of home savings accounts and plans in progress at the date the provision is calculated.

Provisions are calculated for each generation of home savings plan, without offsetting obligations between generations, and for all the home savings accounts, which are considered as representing a single generation.

During the saving phase, the provision is measured as the difference between expected average savings deposits and expected minimum savings deposits, determined in both cases on a statistical basis taking into account observed historical customer behaviours.

During the borrowing phase, the provision concerns outstanding loans not yet due at the reporting date and future loans that are considered as statistically probable based on statement of financial position deposits at the calculation date and observed historical customer behaviours.

A provision is recorded when the net present value of future income is negative for a given generation of loans.

The net present value of future income is assessed relative to the interest rates offered to retail customers on equivalent savings and lending products for similar periods and with similar commencement dates.

2.1.3.8 Share-based payments

Share-based payments consist of payments based on the equity instruments of Group subsidiaries that are equity settled or cash settled for amounts that reflect the value of the underlying shares.

Most of the share-based payment plans set up by Group entities are equity-settled plans.

IFRS 2 also applies to rights issues carried out under the Group’s employee savings plans.

The employee benefit corresponds to the difference, at the purchase date, between the fair value of the acquired shares and the price paid by employees, multiplied by the number of shares purchased. At the end of each reporting period, the number of options likely to vest is reviewed. Where appropriate, the estimates are revised and the effect of the revision is recognised in the income statement with a corresponding adjustment to equity.

2.1.3.9 Property and equipment, and intangible assets

Property, plant and equipment and intangible assets recognised in the consolidated statement of financial position correspond to operating assets and are accounted for in accordance with IAS 16 "*Property, Plant and Equipment*", IAS 36 "*Impairment of Assets*" and IAS 38 "*Intangible Assets*".

Owner-occupied properties are initially recognised at cost, corresponding to their purchase price, any directly attributable expenditure and any borrowing costs.

Land is not depreciated. Other assets are depreciated from the date they are put into service by the straight-line method. This method consists of recording a constant annual charge to write off the cost of the asset less its residual value over the asset's estimated useful life.

Government grants are recorded as a deduction from the carrying amount of the assets they serve to finance.

When an asset comprises several items with different patterns of use that may require replacement at regular intervals or generate economic benefits at differing rates, each such item is recognised separately and depreciated over its estimated useful life when the amounts involved are material.

With regard to the real estate portfolio, the items of property and equipment and related depreciation periods are as follows:

- building shell: 20 to 100 years;
- roof/façade: 20 to 60 years;
- fixtures: 10 to 25 years;
- fittings and technical installations: 10 to 25 years;
- major maintenance work: 15 years.

The depreciable amount of each asset is determined by deducting the residual value from its cost, where said value is both material and measurable. Residual value is defined as the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Software and development costs (including external charges and personnel expenses directly attributable to the project) meeting the IAS 38 capitalisation criteria are recognised in assets and amortised over periods of between three and seven or ten years depending on their useful lives.

At the end of each reporting period, an impairment test is performed if there is any internal or external indication that an asset may be impaired. Impairment tests are performed by comparing the carrying amount of the asset with its recoverable amount. Where the recoverable amount of the individual asset cannot be estimated, the impairment test is performed at the level of the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount by recording an impairment loss. If the recoverable amount increases in subsequent periods, the impairment loss is reversed.

Gains or losses on the disposal of fixed assets are recognised under "Net gains and losses on other assets" in the income statement.

2.1.3.9.1 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 (estimate already prepared for the calculation of MCEV). 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 (as projected for MCEV calculation purposes):

- individual death & disability policies in Brazil: 10 years;
- individual death & disability policies in France: 15 years.

When an asset management 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, For acquired management contracts and dedicated funds managed on behalf of institutional customers, an intangible asset is recognised under "Contractual customer relationships". The intangible asset is amortised on a straight-line basis over the estimated life of the contractual customer relationship, as determined on a run-off basis taking into account the probability of the contracts being renewed.

2.1.3.9.2 Distribution agreements

The value of a distribution agreement represents the future cash flows expected to be generated by new business written through the partner network under the agreement. The intangible asset recognised for a distribution agreement is determined based on the agreement's specific terms and conditions and is amortised over the term of the agreement taking into account a residual value where appropriate.

Amortisation and impairment of distribution agreements are recognised in the income statement under "Net depreciation, amortisation and impairment of property, equipment and intangible assets".

2.1.3.10 Investment property

Investment property is property (land or building) held to earn rental income 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.

The Group has elected to measure investment property using the cost model, as allowed by IAS 40, except for properties held in portfolios underlying direct participating insurance contracts and investment contracts with discretionary participation features measured using the VFA model, which are measured at fair value.

The fair values of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value is the price that would be received to sell a property or shares in a non-trading property company in an orderly transaction.

2.1.3.10.1 Impairment

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. If there is an indication of impairment, the recoverable amount of the property concerned is estimated and an impairment test is performed.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell. An impairment loss is recognised if the recoverable amount of the property is less than its carrying amount. Otherwise, no impairment loss is recorded.

2.1.3.11 Impairment of non-amortisable intangible assets and goodwill

Goodwill and other intangible assets with an indefinite useful life are not amortised but are tested for impairment at annual intervals.

The impairment tests are performed at the level of cash-generating units (CGUs), representing the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment tests are performed by comparing the recoverable amount of the asset or CGU to its carrying amount.

The recoverable amount of an asset or a CGU is the higher of its fair value less the costs of disposal and its value in use.

If the carrying amount is greater than the recoverable amount, an impairment loss is recognised in the income statement for the difference between these two amounts.

Impairment losses recognised against intangible assets with an indefinite useful life are reversed in the income statement if there has been a change in the estimates used to determine the asset's recoverable amount or if there are no longer any indications of impairment. However, impairment losses recognised against goodwill relating to subsidiaries cannot be reversed.

2.1.3.12 Leases

The Caisse des Dépôts Group may be the lessor or lessee in a lease.

2.1.3.12.1 Leases in which the Caisse des Dépôts Group is the lessor

Leases are analysed based on their substance and financial reality. They are recognised as either finance leases or operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee, regardless of whether or not ownership is ultimately transferred.

Leases are classified as finance leases in particular when:

- the lease transfers ownership of the underlying asset;
- the lessee has the option to purchase the underlying asset at a price sufficiently lower than its fair value at the date the option becomes exercisable;
- the lease term is for the major part of the economic life of the underlying asset;
- the present value of the future lease payments amounts to substantially all of the fair value of the leased asset at the inception of the lease;
- the leased asset is of such a specialised nature that only the lessee can use it without major modifications.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee.

Finance leases

Finance leases are considered equivalent to the sale of an asset to the lessee financed by a loan from the lessor. Based on an analysis of the economic substance of the finance lease transactions, the lessor:

- removes the leased asset from the statement of financial position;
- records a receivable due from the customer/lessee under "Loans and receivables due from customers at amortised cost" in an amount representing the lease payments receivable by the lessor under the lease, discounted using the interest rate implicit in the lease, plus any unguaranteed residual value accruing to the lessor;
- recognises deferred taxes for temporary differences relating to the receivable and the net carrying amount of the leased asset;
- breaks down the income corresponding to lease payments into interest and repayment of principal.

Operating leases

The lessor recognises leased assets in the statement of financial position under "Investment property" and "Owner-occupied property and equipment" depending on the nature of the underlying asset. Lease income is recognised on a straight-line basis within net banking income under "Income from other activities" in the income statement.

2.1.3.12.2 Leases in which the Caisse des Dépôts Group is the lessee

Leases are recognised in the statement of financial position on the date on which the leased asset is made available. The lessee recognises a right-of-use asset representing its right to use the underlying leased asset for the estimated term of the contract and a lease liability representing its obligation to make lease payments over the same term. Depending on the underlying leased asset, the right-of-use asset is presented either in "Investment property" or in "Owner-occupied property and equipment" in the statement of financial position. The lease liability is presented in "Accrued expenses, deferred income and other liabilities" in the statement of financial position.

The lease term is the non-cancellable period of the lease adjusted together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. It cannot be longer than the period during which the contract is enforceable. The contract is no longer enforceable when the lessee and the lessor each have the right to terminate the lease with no more than an insignificant penalty.

The lease liability is recognised as the present value of lease payments remaining over the lease term. Lease payments include fixed payments, variable lease payments that depend on an index or rate, and amounts expected to be payable by the lessee under residual value guarantees, purchase options or penalties for early termination of the lease. Variable lease payments that do not depend on an index or a rate are excluded from the lease liability calculation and are recognised in "General operating expenses" in the income statement.

The discount rate used to calculate the lease liability and right-of-use asset is the lessee's incremental borrowing rate over the lease term at the date the contract is signed, where the implicit rate cannot be readily determined.

Cash repayments of the lease liability are broken down into a principal portion and an interest portion.

The right-of-use asset is measured as the amount of the initial measurement of the lease liability plus any lease payments made at or before the commencement date, and any costs of restoration. It is depreciated over the estimated term of the lease.

The lease liability and the right-of-use asset may be adjusted if the lease is modified, the lease term is reassessed, or the lease payments are revised due to application of indices or rates.

Deferred taxes are recognised for temporary differences related to the right-of-use asset and the lease liability.

2.1.3.13 Provisions

Provisions recorded under liabilities, other than those relating to losses on financial instruments, commitments to home savings contracts and employee benefits, are mainly provisions for claims and litigation, fines and tax risks.

A provision is recorded when the Group has a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits without there being any expectation that economic benefits with at least an equivalent value will be received. The obligation may be legal, regulatory, contractual or constructive. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when the effects of discounting are material, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Increases in the provision to reflect the passage of time are recognised in “Interest expense”.

2.1.3.14 Current and deferred taxes

2.1.3.14.1 Current taxes

Current income tax expense is determined on the basis of the taxable profits of each entity or tax group, by applying the tax rates and rules in force in the country in which the entity or tax group is established.

Current tax assets and liabilities reflect the position of Group entities in relation to the payment of current taxes to the tax authorities in each host country.

2.1.3.14.2 Deferred taxes

Deferred taxes are recognised using the liability method for temporary differences between the carrying amount of assets and liabilities and their tax base. Under this method, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in tax rates are recognised in the period in which the change is enacted or substantively enacted.

As an exception, no deferred taxes related to income taxes resulting from application of the OECD's "Pillar Two" rules are recognised (see amendments to IAS 12 "*International Tax Reform - Pillar Two Model Rules*" - EU Regulation No. 2023/2468 of 8 November 2023).

Deferred taxes are calculated at the level of each tax entity and deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Certain directly or indirectly held Group entities form part of a tax group.

Income tax expense is recognised in the income statement, except for tax on items recognised directly in equity, which is also recorded in equity.

Deferred taxes are not discounted.

2.1.3.15 Share capital

In light of its status, Caisse des Dépôts does not have any share capital.

2.1.3.16 Revenue from contracts with customers

Revenue from contracts with customers has been recognised in accordance with IFRS 15 since 1 January 2018.

This standard covers the recognition of revenue applicable to all contracts with customers regardless of business sector, with the exception of leases, insurance contracts and financial instruments, which fall within the scope of IFRS 16, IFRS 17 and IFRS 9, respectively.

How revenue is recognised in the income statement must reflect the pattern of transfer to the customer of control of the goods or service sold, for the amount to which the seller expects to be entitled in exchange for the said goods or service. This recognition method applies to sales of goods and merchandise, the provision of services and long-term contracts.

The approach developed in IFRS 15 consists of a series of five steps, from identifying the contract with the customer to recognising revenue in profit or loss:

- identifying the contract;
- identifying performance obligations;
- determining the transaction price;
- allocating the transaction price to performance obligations; and
- recognising revenue when performance obligations have been satisfied.

Depending on the conditions for the transfer of control of the goods and services promised to the customer, revenue is recognised:

- at a point in time, when control of the goods and services is transferred to the customer on a given date; or
- over time, reflecting how the performance obligation is satisfied by the seller.

These provisions mainly concern the Caisse des Dépôts Group entities that conduct an industrial or commercial activity.

Revenue from contracts with customers is reported in the income statement under “Income from other activities”.

2.1.3.17 Interest income and expense

Interest income and expenses are recognised in the income statement under "Interest income" and "Interest expense" for all financial instruments measured at amortised cost using the effective interest rate method, namely loans and borrowings from credit institutions and customers, the securities portfolio at amortised cost, debt securities, subordinated debt and lease liabilities. Accrued interest and interest due on debt instruments recognised in the portfolio of financial assets at fair value through other comprehensive income and hedging derivatives is also recorded, it being specified that accrued interest on cash flow hedging derivatives is recorded in the income statement together with accrued interest on the hedged item.

However, interest accrued and due on financial assets and liabilities at fair value through profit or loss (excluding hedging derivatives) is recognised in the income statement under “Net gains and losses on financial instruments at fair value through profit or loss”.

In accordance with the IFRS IC decision of January 2015, interest income resulting from a negative effective interest rate on a financial asset does not meet the definition of interest revenue in the meaning of IRFS 15. Since 1 January 2021, it has therefore been recognised under “Interest expense” in the income statement, and not under “Interest income”. The same applies to interest expense resulting from a negative effective interest rate on financial liabilities, which has been recognised under “Interest income” in the income statement since 1 January 2021.

2.1.3.18 Fee and commission income and expense

In accordance with IFRS 15 “Revenue from Contracts with Customers”, fee and commission income is recognised in profit or loss when the related performance obligations are satisfied:

- when the performance obligation (service) is satisfied over time, the fee is recognised over the service period (payment media processing fees);
- when the performance obligation is satisfied at a point in time, the fee or commission is recognised in the income statement when the service is provided or the transaction is executed (intermediary commission, payment incident fee);
- variable fees are recognised in profit or loss only when it is highly probable that the fee will not be reduced significantly compared to the recognised amount.

These fees are presented under “Fee and commission income” and “Fee and commission expense” in the income statement.

However, fees that represent additional interest (loan fees) are an integral part of the effective interest rate and are recognised in interest income and expense (“Interest income” and "Interest expense” in the income statement), and not as fees and commissions.

2.1.3.19 Cost of credit risk

The cost of credit risk includes:

For banking activities:

- impairment losses and reversals on financial assets at amortised cost and at fair value through other comprehensive income that may be reclassified to profit or loss;
- impairment losses and reversals on finance lease receivables;
- changes in provisions relating to financial guarantees given and financing commitments;
- discounts on restructured loans and recoveries of loans written down in full;
- bad debt write-offs.

The banking activities’ cost of credit risk is presented as a component of operating profit, below net banking income.

For insurance activities:

- loss allowances, reversals and write-offs on financial investments held to back insurance liabilities.

These are presented as a component of net banking income, on the line "Cost of credit risk on financial investments of insurance activities".

2.2 Notes to the consolidated income statement

2.2.1 Interest income and expense

	31.12.2024			31.12.2023		
(in millions of euros)	Income	Expenses	Net	Income	Expenses	Net
Financial instruments at amortised cost	**10,343**	**(8,699)**	**1,644**	**10,358**	**(8,412)**	**1,946**
Credit institution transactions	5,000	(1,612)	3,388	5,460	(2,415)	3,045
Customer transactions	3,513	(4,104)	(591)	3,194	(3,472)	(278)
Securities at amortised cost	1,827		1,827	1,701		1,701
Debt securities and subordinated debt(1)	3	(2,983)	(2,980)	3	(2,525)	(2,522)
Financial assets at fair value through OCI	**4,618**		**4,618**	**5,125**		**5,125**
Hedging transactions(1)	**4,111**	**(5,081)**	**(970)**	**4,118**	**(4,734)**	**(616)**
Other		**(176)**	**(176)**		**(144)**	**(144)**
TOTAL INTEREST INCOME AND EXPENSE(1)	**19,072**	**(13,956)**	**5,116**	**19,601**	**(13,290)**	**6,311**
o/w negative interest on financial liabilities in income	11			86		
o/w negative interest on financial assets in expenses		(3)			(1)	

(1) Net amount of €764 million reported in the 2023 financial statements reclassified as a deduction of €758 million from "Debt securities and subordinated debt" and a deduction of €6 million from "Hedging transactions". The reclassifications were recognised through "Net gains and losses on financial instruments at fair value through profit or loss".

2.2.2 Fee and commission income and expense

	31.12.2024		31.12.2023	
(in millions of euros)	Income	Expenses	Income	Expenses
Credit institution and similar transactions	4	(1)	7	
Customer transactions	1,348	(5)	1,212	(4)
Securities and derivatives transactions	676	(60)	430	(58)
Transactions on securities at fair value through OCI		(4)		(5)
Transactions on securities at amortised cost		(14)		(13)
Financial services transactions	549	(283)	573	(246)
Other fees and commissions	112		101	
FEE AND COMMISSION INCOME AND EXPENSE	**2,689**	**(367)**	**2,323**	**(326)**

2.2.3 Net gains and losses on financial instruments at fair value through profit and loss

	31.12.2024		31.12.2023	
(in millions of euros)	Total	of which fair value option	Total	of which fair value option
Net disposal gains and losses	83	4	1,057	
Fair value adjustments, interest income or expense	4,253	(110)	3,010	(73)
Debt instruments (excluding assets backing unit-linked contracts)	**4,336**	**(106)**	**4,067**	**(73)**
Net disposal gains and losses	196		(860)	
Fair value adjustments, interest income or expense	(645)		(554)	
Dividend income	1,434		1,378	
Equity instruments (excluding assets backing unit-linked contracts)	**985**		**(36)**	
Unrealised or realised gains or losses on assets backing unit-linked contracts	7,368		8,261	
Assets backing unit-linked contracts	**7,368**		**8,261**	
Net disposal gains and losses				
Fair value adjustments, interest income or expense	(898)		(1,471)	
Futures and options (excluding hedging instruments)	**(898)**		**(1,471)**	
Net disposal gains and losses	3		(45)	
Fair value adjustments, interest income or expense	303		482	
Loans	**306**		**437**	
Net disposal gains and losses			2	
Fair value adjustments, interest income or expense	(30)	(6)	(130)	(41)
Other income and expense, net(1)	(84)	(1)	(49)	(1)
Debt securities, borrowings and securities issued	**(114)**	**(7)**	**(177)**	**(42)**
Net hedging gains and losses(1)	**(209)**		**(177)**	
Currency instruments	**(1)**		**(6)**	
Securities and other assets purchased and sold under collateralised reverse repurchase agreements	**(78)**		**(9)**	
TOTAL NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**11,694**	**(113)**	**10,890**	**(115)**

(1) Net gain of €764 million reported in 2023 reclassified as an increase in "Other income and expense, net" for €758 million and as an increase in "Hedging gains and losses" for €6 million, with a corresponding reduction in "Interest income" in the income statement.

Net hedging gains and losses

(in millions of euros)	31.12.2024	31.12.2023
Fair value hedges	**(70)**	**(77)**
Change in fair value of hedged items attributable to the hedged risks	(1,192)	(1,820)
Change in fair value of hedging derivatives (including hedge termination)	1,122	1,743
Cash flow hedges		**1**
Change in fair value of hedging derivatives – ineffective portion		1
Fair value hedges of interest rate risks on a portfolio of financial instruments	**(140)**	**(101)**
Change in fair value of hedged items	46	308
Change in fair value of hedging derivatives	(186)	(409)
NET HEDGING GAINS AND LOSSES	**(209)**	**(177)**

2.2.4 Net gains and losses on financial instruments at fair value through other comprehensive income

(in millions of euros)	31.12.2024	31.12.2023
Net disposal gains and losses	(1,208)	(3,076)
Debt instruments	**(1,208)**	**(3,076)**
Dividends [1]	1,416	1,358
Equity instruments	**1,416**	**1,358**
TOTAL NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OCI	**208**	**(1,718)**

(1) See note to the income statement (1.3) referring to the first-time consolidation of the Euronext N.V. Group.

2.2.5 Net gains and losses resulting from derecognition of financial assets at amortised cost

(in millions of euros)	31.12.2024	31.12.2023
Gains resulting from derecognition	5	17
Losses resulting from derecognition	(20)	(9)
TOTAL NET GAINS OR LOSSES RESULTING FROM DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST	**(15)**	**8**

The carrying amounts of financial assets at amortised cost derecognised during the period are as follows:

(in millions of euros)	31.12.2024	31.12.2023
Securities at amortised cost	2,454	5,312
Loans and receivables due from customers at amortised cost	250	282
TOTAL CARRYING AMOUNTS OF FINANCIAL ASSETS AT AMORTISED COST DERECOGNISED	**2,704**	**5,594**

2.2.6 Income and expenses from other activities

	31.12.2024		31.12.2023	
(in millions of euros)	Income	Expenses	Income	Expenses
Income and expenses from investment property	2,107	(1,506)	1,662	(2,031)
Income and expenses from other activities	41,622	(5,944)	40,788	(5,991)
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**43,729**	**(7,450)**	**42,450**	**(8,022)**

Income and expenses from other activities mainly concern the Group's industrial and commercial activities, including La Poste, Transdev, Icade and Compagnie des Alpes.

2.2.7 General operating expenses

(in millions of euros)	31.12.2024	31.12.2023
Employee benefits expense, including amounts attributable to insurance activities	(20,444)	(19,364)
Employee benefits expense attributable to insurance activities	502	465
Employee benefits expense	**(19,942)**	**(18,899)**
Other general operating expenses, including amounts attributable to insurance activities	(19,623)	(19,912)
General operating expenses attributable to insurance activities	1,117	1,125
General operating expenses	**(18,506)**	**(18,787)**
TOTAL GENERAL OPERATING EXPENSES	**(38,448)**	**(37,686)**

2.2.8 Net depreciation, amortisation and impairment of property and equipment and intangible assets

(in millions of euros)	31.12.2024	31.12.2023
Net depreciation, amortisation and impairment of property and equipment and intangible assets, including amounts attributable to insurance activities	(3,571)	(3,576)
Net depreciation, amortisation and impairment of property and equipment and intangible assets, attributable to insurance activities	81	68
NET DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	**(3,490)**	**(3,508)**

2.2.9 Cost of credit risk

(in millions of euros)	31.12.2024	31.12.2023
Impairment of loans and receivables due from credit institutions at amortised cost	(4)	(34)
Impairment of loans and receivables due from customers at amortised cost	(314)	(164)
Impairment of debt instruments measured at fair value through OCI	(2)	11
Impairment of securities at amortised cost	(15)	29
Impairment of off-balance sheet commitments	17	(21)
Impairment for expected credit losses	**(318)**	**(179)**
Loan losses and bad debts	(111)	(93)
Recoveries on loans and receivables written off in prior years	5	3
Losses and recoveries	**(106)**	**(90)**
Other losses or income	**(57)**	**7**
COST OF CREDIT RISK	**(481)**	**(262)**

Cost of credit risk on financial investments of the insurance activities

(in millions of euros)	31.12.2024	31.12.2023
Financial assets at amortised cost	(2)	(2)
Financial assets at fair value through OCI	(3)	6
COST OF CREDIT RISK ON FINANCIAL INVESTMENTS OF THE INSURANCE ACTIVITIES	**(5)**	**4**

2.2.10 Net gains and losses on other assets

(in millions of euros)	31.12.2024	31.12.2023
Gains and losses on disposals of fixed assets	(40)	5
Gains and losses on long-term equity interests[1]	466	56
Other gains and losses	(1)	5
TOTAL NET GAINS AND LOSSES ON OTHER ASSETS	**425**	**66**

(1) Mainly the sale of La Poste Mobile for €513 million.

2.2.11 Income tax

2.2.11.1 Analysis of income tax expense

(in millions of euros)	31.12.2024	31.12.2023
Current taxes	(1,064)	(1,318)
Deferred taxes	167	221
INCOME TAX BENEFIT (EXPENSE) FOR THE PERIOD	**(897)**	**(1,097)**

The effective tax rate in 2024 was 24.8%, based on pre-tax profit restated to exclude share of profit of equity-accounted companies and changes in the value of goodwill for €3,624 million, versus 34.1% at 31 December 2023.

Note that the theoretical tax rate is 25.83% at 31 December 2024.

2.2.11.2 Reconciliation of theoretical and effective tax rates

(in millions of euros)	31.12.2024	31.12.2023
Net profit (loss) attributable to owners	3,046	2,957
Non-controlling interests	705	1,240
Share of profit (loss) of equity-accounted companies	(925)	(726)
Change in value of goodwill	(98)	49
Net profit (loss) from discontinued operations	(1)	(1,392)
Income tax benefit (expense)	897	1,097
Profit (loss) before tax, change in value of goodwill and share of profit (loss) of equity-accounted companies	**3,624**	**3,225**
Theoretical tax rate[1]	25.83%	25.83%
Theoretical tax expense	**(936)**	**(833)**
Effect of differences in tax rates	(86)	(38)
Effect of permanent differences	286	(79)
Effect of the SIIC regime and other exempt real estate operations	42	(175)
Net effect of deferred tax recognition	(243)	(20)
Tax credits	34	52
Other	6	(4)
CONSOLIDATED INCOME TAX BENEFIT (EXPENSE)	**(897)**	**(1,097)**

(1) Including the 3.3% social solidarity contribution.

2.3 Notes to the consolidated statement of financial position

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

(in millions of euros)	31.12.2024 Mandatory classification	31.12.2024 Fair value option	31.12.2023 Mandatory classification	31.12.2023 Fair value option
Government paper and equivalents	666	1,435	941	1,841
Bonds and other fixed-income securities	7,695	1,461	8,179	1,492
Negotiable debt securities	935		12,818	
UCITS	61,081		61,590	
Venture capital funds	4,452		3,966	
Assets backing unit-linked contracts	85,366		91,603	
Other securities	6,946	47	6,723	44
Debt instruments	**167,141**	**2,943**	**185,820**	**3,377**
Equities	22,253		21,464	
Assets backing unit-linked contracts	5,458		3,149	
Other securities	2,082		1,811	
Equity instruments	**29,793**		**26,424**	
Derivative instruments held for trading	6,039		5,271	
Derivative instruments held for trading	**6,039**		**5,271**	
Loans to credit institutions	40		40	
Customer loans	8,950		10,266	
Loans	**8,990**		**10,306**	
Credit institutions	225		792	
Customers	7,558		5,314	
Securities received under collateralised reverse repurchase agreements	**7,783**		**6,106**	
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**219,746**	**2,943**	**233,927**	**3,377**

(in millions of euros)	31.12.2024 Mandatory classification	31.12.2024 Fair value option	31.12.2023 Mandatory classification	31.12.2023 Fair value option
Bonds		4,808		3,796
Negotiable debt securities		329		345
Other activities		263		73
Debt securities		**5,400**		**4,214**
Derivative instruments held for trading	5,663		4,511	
Derivative instruments held for trading	**5,663**		**4,511**	
Credit institutions	2,225		1,313	
Customers	4,950		4,362	
Securities sold under collateralised repurchase agreements	**7,176**		**5,675**	
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**12,839**	**5,400**	**10,186**	**4,214**

2.3.2 Hedging instruments

(in millions of euros)	31.12.2024				31.12.2023			
	Positive fair value	Negative fair value	Notional amount	Change in fair value used to calculate ineffectiveness	Positive fair value	Negative fair value	Notional amount	Change in fair value used to calculate ineffectiveness
Interest rate derivatives	2,072	5,418	163,071	1,036	2,239	6,490	146,456	1,519
Currency derivatives	1,009	244	28,347	86	302	646	30,883	223
Fair value hedges	**3,081**	**5,661**	**191,418**	**1,122**	**2,542**	**7,135**	**177,339**	**1,742**
Interest rate derivatives	195	206	2,187		207	164	2,746	(1)
Currency derivatives	86	419	6,468	2	67	231	5,136	6
Other derivatives							6	
Cash flow hedges	**282**	**625**	**8,654**	**2**	**274**	**395**	**7,887**	**6**
Hedges of net investments in foreign operations		**22**	**411**			**10**	**405**	
Fair value macro-hedging	**432**	**1,149**	**40,876**	**(186)**	**612**	**1,170**	**43,464**	**(409)**
TOTAL HEDGING INSTRUMENTS	**3,795**	**7,457**	**241,359**	**937**	**3,428**	**8,710**	**229,095**	**1,339**

2.3.2.1 Breakdown of items covered by fair value hedges

2.3.2.1.1 Micro-hedging

(in millions of euros)	31.12.2024			31.12.2023		
	Carrying amount of hedged items	o/w accumulated adjustment of fair value hedge	Change over the period in fair value used to calculate ineffectiveness	Carrying amount of hedged items	o/w accumulated adjustment of fair value hedge	Change over the period in fair value used to calculate ineffectiveness
Securities at amortised cost	46,826	(534)	124	48,268	(649)	298
Loans and receivables due from credit institutions at amortised cost	26,480		1	37,586	(1)	
Loans and receivables due from customers at amortised cost	23,448	(1,728)	472	21,474	(2,186)	1,021
Financial assets at fair value through OCI to be reclassified	20,657	24	105	17,588	(81)	497
Assets – items covered by fair value hedges	**117,411**	**(2,238)**	**702**	**124,916**	**(2,917)**	**1,816**
Debt securities	100,062	(4,843)	1,889	90,891	(6,745)	3,630
Due to credit institutions	10,279	(41)	5	11,381	(46)	6
Due to customers	77,493	1		88,741		
Liabilities – items covered by fair value hedges	**187,834**	**(4,883)**	**1,894**	**191,013**	**(6,791)**	**3,636**

2.3.2.1.2 Macro-hedging

(in millions of euros)	31.12.2024	31.12.2023
	Carrying amount of hedged items	Carrying amount of hedged items
Securities at amortised cost	4,622	4,618
Loans and receivables due from customers at amortised cost	65,046	50,567
Assets – items covered by fair value hedges	**69,668**	**55,185**
Debt securities	10,611	12,758
Due to credit institutions	6,061	12,228
Liabilities – items covered by fair value hedges	**16,672**	**24,986**

2.3.2.2 Contractual maturities for the notional on hedging derivatives

	31.12.2024					
(in millions of euros)	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total notional amount
Interest rate derivatives	6,500	11,610	17,549	65,203	62,208	163,071
Currency derivatives	5,911	8,327	6,979	5,827	1,303	28,347
Fair value hedges	**12,411**	**19,938**	**24,529**	**71,029**	**63,511**	**191,418**
Interest rate derivatives			270	402	1,515	2,187
Currency derivatives	51	13	478	2,535	3,391	6,468
Cash flow hedges	**51**	**13**	**748**	**2,938**	**4,906**	**8,656**
Hedges of net investments in foreign operations	**264**		**117**		**30**	**411**
Fair value macro-hedging	**4,651**	**1,189**	**9,102**	**8,205**	**17,729**	**40,876**
TOTAL NOTIONAL ON HEDGING DERIVATIVES	**17,377**	**21,139**	**34,495**	**82,172**	**86,176**	**241,359**

	31.12.2023					
(in millions of euros)	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total notional amount
Interest rate derivatives	7,353	7,811	22,127	55,936	53,229	146,456
Currency derivatives	6,087	4,778	11,480	7,079	1,459	30,883
Fair value hedges	**13,440**	**12,588**	**33,608**	**63,015**	**54,688**	**177,339**
Interest rate derivatives			366	883	1,497	2,746
Currency derivatives	41	20	459	1,245	3,377	5,142
Cash flow hedges	**41**	**20**	**825**	**2,127**	**4,874**	**7,887**
Hedges of net investments in foreign operations	**6**		**369**		**30**	**405**
Fair value macro-hedging	**10,129**	**1,215**	**8,729**	**10,760**	**12,631**	**43,464**
TOTAL NOTIONAL ON HEDGING DERIVATIVES	**23,616**	**13,824**	**43,530**	**75,903**	**72,223**	**229,096**

2.3.3 Financial assets at fair value through other comprehensive income

2.3.3.1 Financial assets at fair value through other comprehensive income to be reclassified

	31.12.2024			31.12.2023		
(in millions of euros)	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses
Government paper and equivalents	94,160	(7)	(19,518)	96,444	(25)	(18,624)
Bonds and other debt securities	92,774	31	(6,345)	95,028	(52)	(7,916)
Negotiable debt securities	18,484	2	41	7,233	2	23
Other securities	2,956	(2)	(198)	2,760	(6)	(212)
Accrued interest	2,105			1,925		
Debt instruments	**210,479**	**24**	**(26,020)**	**203,390**	**(81)**	**(26,729)**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI TO BE RECLASSIFIED	**210,479**	**24**	**(26,020)**	**203,390**	**(81)**	**(26,729)**

2.3.3.1.1 Impairment for expected credit losses recognised against assets measured at fair value through other comprehensive income to be reclassified

(in millions of euros)	31.12.2024	31.12.2023
Debt instruments	(293)	(302)
TOTAL IMPAIRMENT LOSSES	**(293)**	**(302)**

2.3.3.1.2 Exposure to credit risk on the gross carrying amounts of financial assets measured at fair value through other comprehensive income to be reclassified

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total gross carrying amounts(1)
Opening position at 01.01.2024	**230,430**	**70**	**2**	**230,502**
Additions	66,808			66,808
Repayments	(54,451)	(47)		(54,498)
Transfer between stages	(69)	69		
Other movements	(6,040)	(2)	(2)	(6,044)
CLOSING POSITION AT 31.12.2024	**236,678**	**90**		**236,768**

(1) *The gross carrying amount of financial assets measured at fair value through other comprehensive income to be reclassified is calculated excluding unrealised gains and losses.*

2.3.3.1.3 Breakdown of impairment for expected credit losses recognised in other comprehensive income to be reclassified

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total impairment for expected credit losses
Opening position at 01.01.2024	**(300)**		**(2)**	**(302)**
Allocations on acquisitions during the period	(17)			(17)
Other allocations	(273)	(1)		(274)
Reversals used with write-off	1			1
Reversals related to asset disposals	256			256
Other unused reversals	29			29
Other movements	12		2	14
CLOSING POSITION AT 31.12.2024	**(292)**	**(1)**		**(293)**

2.3.3.2 Financial assets at fair value through other comprehensive income not to be reclassified

	31.12.2024			31.12.2023		
(in millions of euros)	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses
Equities(1)	45,956		16,961	45,760		17,066
Other equity instruments	33		5	34		6
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI NOT TO BE RECLASSIFIED	**45,989**		**16,966**	**45,794**		**17,072**

(1) *See note to the consolidated statement of financial position (1.5).*

2.3.3.2.1 Assets at fair value through other comprehensive income not to be reclassified sold during the period

	31.12.2024			31.12.2023		
(in millions of euros)	Fair value on date of sale	Gain or loss at time of sale(1)	Dividends received during the period	Fair value on date of sale	Gain or loss at time of sale(1)	Dividends received during the period
Equities	5,174	1,216	16	5,525	1,168	52
Other equity instruments	4		1	23	(3)	
TOTAL	**5,178**	**1,216**	**17**	**5,548**	**1,165**	**52**

(1) *Before tax.*

2.3.4 Securities at amortised cost

(in millions of euros)	31.12.2024	31.12.2023
Government paper and equivalents	57,044	53,812
Bonds and other fixed-income securities	19,622	19,537
Negotiable debt securities	9,276	11,609
Other securities	651	410
Accrued interest	2,073	1,770
Provisions for expected credit losses	(70)	(53)
TOTAL SECURITIES AT AMORTISED COST	**88,596**	**87,085**

2.3.4.1 Exposure to credit risk on the gross carrying amounts of securities at amortised cost

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total gross carrying amounts[1]
Opening position at 01.01.2024	**86,831**	**976**	**3**	**87,810**
Additions	14,401	64	6	14,471
Disposals	(12,927)	(132)		(13,059)
Transfer between stages	97	(97)		
Other movements	(17)	(5)		(22)
CLOSING POSITION AT 31.12.2024	**88,385**	**806**	**9**	**89,200**

(1) The gross carrying amount of securities at amortised cost is calculated excluding unrealised gains and losses.

2.3.4.2 Breakdown of impairment for expected credit losses on securities at amortised cost

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total impairment for expected credit losses
Opening position at 01.01.2024	**(29)**	**(24)**		**(53)**
Allocations on acquisitions during the period	(5)	(12)		(17)
Other allocations	(19)			(19)
Reversals used with write-off	3	6		9
Reversals linked to asset disposals	4	1		5
Other unused reversals		4		4
Other movements	(6)	7		1
CLOSING POSITION AT 31.12.2024	**(52)**	**(18)**		**(70)**

2.3.5 Loans and receivables due from credit institutions and related entities at amortised cost

(in millions of euros)	31.12.2024	31.12.2023
Ordinary accounts in debit and overnight loans	11,777	27,913
Accrued interest	59	70
Impairment for expected credit losses	(14)	
Loans to credit institutions repayable on demand	**11,822**	**27,983**
Accounts and loans with fixed maturities	19,518	15,524
Receivables due from Savings Funds	63,415	64,711
Securities and other assets purchased under collateralised reverse repurchase agreements	10,094	3,869
Subordinated loans	78	78
Accrued interest	134	106
Guarantee deposits		1
Impairment for expected credit losses	(6)	(1)
Loans and receivables due from credit institutions with fixed maturities	**93,233**	**84,288**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND RELATED ENTITIES AT AMORTISED COST	**105,055**	**112,271**

2.3.5.1 Exposure to credit risk on the gross carrying amounts of loans and receivables due from credit institutions and related entities at amortised cost

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total gross carrying amounts
Opening position at 01.01.2024	**112,262**	**11**		**112,273**
Payments	19,810	9		19,819
Repayments	(26,866)			(26,866)
Other movements	(150)			(150)
CLOSING POSITION AT 31.12.2024	**105,056**	**20**		**105,076**

2.3.5.2 Breakdown of impairment for expected credit losses on loans and receivables due from credit institutions and related entities at amortised cost

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total impairment for expected credit losses
Opening position at 01.01.2024	**(1)**			**(1)**
Allocations on acquisitions during the period	(15)			(15)
Other allocations	(4)			(4)
CLOSING POSITION AT 31.12.2024	**(20)**			**(20)**

2.3.6 Loans and receivables due from customers at amortised cost

(in millions of euros)	31.12.2024	31.12.2023
Ordinary accounts in debit	3,783	2,881
Accrued interest	59	49
Impairment for expected credit losses	(156)	(137)
Ordinary accounts in debit	**3,686**	**2,793**
Loans to financial sector customers	2,625	1,633
Cash facilities	18,691	18,165
Equipment financing	58,128	56,429
Housing loans	96,412	96,615
Export credit	8,270	6,341
Advances on securities transactions	577	579
Subordinated loans	200	74
Finance lease receivables	3,884	3,952
Securities and other assets purchased under collateralised reverse repurchase agreements	2,266	50
Other loans	3,568	4,891
Accrued interest	768	711
Impairment for expected credit losses	(1,769)	(1,612)
Other loans and receivables due from customers	**193,620**	**187,828**
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS AT AMORTISED COST	**197,306**	**190,621**

2.3.6.1 Exposure to credit risk on the gross carrying amounts of loans and receivables due from customers at amortised cost

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total gross carrying amounts
Opening position at 01.01.2024	**170,427**	**21,248**	**2,880**	**194,555**
Payments	31,718	2,769	346	34,833
Repayments	(24,448)	(2,507)	(684)	(27,639)
Transfers between stages	4,323	(4,772)	449	
Other movements	(8)	(782)		(790)
CLOSING POSITION AT 31.12.2024	**182,012**	**15,956**	**2,991**	**200,959**

2.3.6.2 Breakdown of impairment for expected credit losses on loans and receivables due from customers at amortised cost

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total impairment for expected credit losses
Opening position at 01.01.2024	**(223)**	**(548)**	**(979)**	**(1,750)**
Allocations on acquisitions during the period	(40)	(105)	(108)	(253)
Other allocations	(28)	(115)	(270)	(413)
Reversals used with write-off	27	7	10	44
Reversals linked to asset disposals	17	45	49	111
Other unused reversals	59	82	139	280
Transfers between stages	(11)	11		
Other movements	17	2	37	56
CLOSING POSITION AT 31.12.2024	**(182)**	**(621)**	**(1,122)**	**(1,925)**

2.3.7 Current and deferred taxes

2.3.7.1 Breakdown of balance sheet tax accounts

(in millions of euros)	31.12.2024	31.12.2023
Current taxes	811	1,358
Deferred taxes	2,222	2,463
Total current and deferred assets	**3,033**	**3,821**
Current taxes	135	408
Deferred taxes	4,824	5,208
Total current and deferred liabilities	**4,959**	**5,616**

2.3.7.2 Deferred taxes by source of assets and liabilities

(in millions of euros)	31.12.2024	31.12.2023
Assets and liabilities recognised at fair value through OCI not to be reclassified	(4,126)	(4,154)
Assets and liabilities recognised at fair value through OCI to be reclassified	2,634	2,529
Temporary differences – other	(1,110)	(1,120)
TOTAL NET RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES[1]	**(2,602)**	**(2,745)**

(1) Tax assets are positive amounts, while tax liabilities are negative amounts.

2.3.8 Prepayments, accrued and deferred income and other assets and liabilities

(in millions of euros)	31.12.2024	31.12.2023
Prepaid expenses and accrued income	2,452	2,181
Other accruals	509	794
Prepaid expenses and accrued income	**2,961**	**2,975**
Margin calls paid	5,379	6,454
Securities settlement accounts		1
Inventories	1,023	1,311
Guarantee deposits paid	1,200	1,425
Costs of contracts		6
Contract assets	147	203
Accounts receivable	4,593	6,383
Other	5,794	5,686
Impairment losses	(530)	(548)
Other assets	**17,606**	**20,921**
TOTAL PREPAYMENTS, ACCRUED INCOME AND OTHER ASSETS	**20,567**	**23,896**

(in millions of euros)	31.12.2024	31.12.2023
Accrued expenses and deferred income	2,925	3,752
Other accruals	1,479	1,292
Accrued expenses and deferred income	**4,404**	**5,044**
Margin calls received	1,753	1,654
Accounts payable	4,860	6,619
Lease liabilities	4,971	5,725
Miscellaneous payables	3,541	4,511
Securities settlement accounts	8	6
Various liabilities	6,217	7,762
Other liabilities	**21,350**	**26,277**
TOTAL ACCRUED EXPENSES, DEFERRED INCOME AND OTHER LIABILITIES	**25,754**	**31,321**

2.3.8.1 Exposure to credit risk on the gross carrying amounts of accounts receivable and contract assets

(in millions of euros)	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total gross carrying amounts
Opening position at 01.01.2024	**6,453**	**133**	**6,586**
Decrease	(514)	(5)	(519)
Other movements	(1,301)	(26)	(1,327)
CLOSING POSITION AT 31.12.2024	**4,638**	**102**	**4,740**

In accordance with the simplified method, credit risk on accounts receivable and contract assets is measured based on lifetime expected credit losses.

2.3.8.2 Breakdown of impairment for expected credit losses on accounts receivable and contract assets

(in millions of euros)	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – Credit-impaired assets	Total impairment for expected credit losses
Opening position at 01.01.2024	**(201)**	**(93)**	**(294)**
Allocations on acquisitions during the period	(89)	(25)	(114)
Reversals used with write-off	53	24	77
Reversals related to asset disposals		4	4
Other unused reversals	6		6
Other movements	23	6	29
CLOSING POSITION AT 31.12.2024	**(208)**	**(84)**	**(292)**

2.3.8.3 Breakdown by due date of accounts receivable and contract assets

	31.12.2024				
(in millions of euros)	Outstandings: less than 30 days	Outstandings: more than 30 days	Outstandings: more than 60 days	Outstandings: more than 90 days	Total outstandings
Accounts receivable and contract assets	4,534	15	23	168	4,740
Provisions for expected credit losses	(234)		(3)	(55)	(292)
RATE OF EXPECTED CREDIT LOSSES ESTIMATED BASED ON THE TOTAL GROSS CARRYING AMOUNT BY MATURITY	**5%**	**0%**	**13%**	**33%**	**6%**

2.3.9 Non-current assets held for sale, non-current liabilities related to assets held for sale and discontinued operations

(in millions of euros)	31.12.2024	31.12.2023
Total non-current assets held for sale and discontinued operations[(1)]	**25,603**	**1,229**
Total liabilities related to non-current assets held for sale and discontinued operations	**22,588**	**65**

(1) In 2023, financial assets held for sale concerned the planned sale of Foncière Santé by the Icade group for €1,130 million.

The estimated market value of held-for-sale investment property recognised at amortised cost was €194 million at 31 December 2024 and €62 million at 31 December 2023.

(in millions of euros)	31.12.2024					
	CNP UniCredit Vita	CNP Cyprus Insurance Holdings	Transdev group	Icade	Other entities	Total
Financial assets at fair value through profit or loss	9,972	504	513	1,107		12,096
Hedging instruments with a positive fair value			3			3
Financial assets at fair value through OCI	6,019	191	6			6,216
Loans and receivables due from credit institutions and related entities at amortised cost	182	12	291			485
Loans and receivables due from customers at amortised cost			753			753
Insurance contract assets		26				26
Reinsurance contract assets	16	42				58
Current and deferred tax assets	147		57			204
Prepayments, accrued income and other assets		26	2,136		16	2,178
Investments in equity-accounted companies			46			46
Investment property	84	33			139	256
Owner-occupied property and equipment		1	2,212			2,213
Intangible assets	30	3	164			197
Goodwill			874			874
TOTAL NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**16,450**	**837**	**7,054**	**1,107**	**155**	**25,603**
Insurance contract liabilities	15,453	597				16,050
Reinsurance contract liabilities	5	26				31
Hedging instruments with a negative fair value			4			4
Debt securities			624			624
Due to credit institutions			501			501
Current and deferred tax liabilities	70	10	83			163
Accrued expenses, deferred income and other liabilities	93	20	4,123	1	2	4,239
Provisions	9	1	967			977
TOTAL LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**15,630**	**653**	**6,302**	**1**	**2**	**22,588**

2.3.9.1 Planned sale of Foncière Santé by the Icade group

During 2024, Icade held discussions with Predica, a life insurance subsidiary of Crédit Agricole Assurances, leading to the signing of an agreement in January 2025 for the exchange of shares in Præmia Healthcare for shares in Future Way, a company that owns a well-positioned office building in Lyon, in which Icade holds a 52.75% majority interest. This equity swap will enable Icade to reduce its exposure to Præmia Healthcare by 0.85% to 21.67%. The transaction is scheduled to be completed in the first quarter of 2025, subject to the lifting of the conditions precedent.

Concerning the international portfolio, marketing of the Italian asset portfolio is still in progress. In addition, as stipulated in the agreements between Icade and Præmia REIM, the call options held by Præmia REIM on Icade’s Præmia Healthcare shares expire in mid-2025. Icade has confirmed its strategy of selling its entire Healthcare business. However, the timeline for its withdrawal from this sector has had to be extended due to the current market environment, with the sale of the French and international portfolios now planned to take place progressively in 2025 and 2026.

2.3.9.2 Disposal of CNP Cyprus Insurance Holdings

On 25 April 2024, CNP Assurances entered into exclusive negotiations with Hellenic Bank Public Company Ltd for the sale of its life insurance subsidiary CNP Cyprus Insurance Holdings (CIH) for €182 million. CIH is wholly owned by Montparvie V (a wholly owned subsidiary of CNP Assurances). Its main subsidiaries are CNP Cyprialife, CNP Asfalistiki, CNP Zois and CNP Cyprus Properties. Completion of the transaction is subject to the customary conditions precedent, including obtaining the requisite regulatory authorisations.

2.3.9.3 Disposal of CNP UniCredit Vita

On 24 September 2024, CNP Assurances took note of the decision by UniCredit Board of Directors to exercise its call option on CNP Assurances’ 51% interest in their Italian joint venture, CNP UniCredit Vita. This option is exercisable pursuant to the terms and conditions of their current shareholders' agreement, and completion of the proposed transaction is subject to obtaining the customary regulatory authorisations.

2.3.9.4 Transdev

On 16 December 2024, Caisse des Dépôts announced that it had accepted the Rethmann group's bid to become Transdev's majority shareholder, leading the two parties to enter into exclusive negotiations with a view to Rethmann acquiring a 32% stake in Transdev. On completion of the transactions, Rethmann France (S.A.S) would become the majority shareholder of Transdev, with 66% of the capital, alongside Caisse des Dépôts, which would retain a 34% interest, underling the importance of France as Transdev's largest market. Final acceptance of the offer submitted by the Rethmann group would take place at the end of the information and consultation procedure with the Transdev group's employee representative bodies. The transaction would then be completed during 2025, subject to the approval of the relevant administrative and regulatory authorities.

2.3.10 Investments in equity-accounted companies

		31.12.2024		31.12.2023	
(in millions of euros)	Type of control	Carrying amount	Contribution to the Caisse des Dépôts Group net profit (loss)	Carrying amount	Contribution to the Caisse des Dépôts Group net profit (loss)
Compagnie Nationale du Rhône	ASS	539	96	500	108
ADL Participations	ASS	47	(17)	65	(11)
Prédica Énergies Durables	ASS	120	(6)	137	(2)
HIN Orange Concessions	JV	600	(67)	673	(23)
CDC PME Croissance	JV	759	19	801	20
CDC EURO Croissance	JV	465	7	526	11
CDC TECH Croissance	JV	71		81	
CDC Croissance Durable	JV	53	1	59	
GRT Gaz	ASS	2,621	119	2,663	157
Coentreprise de Transport d'Électricité	JV	2,058	33	1,995	109
EGIS	ASS	298	26	285	13
Suez Holding	ASS	1,119	(20)	1,136	(27)
Euroclear Holding SA/NV	ASS	1,255	444	838	104
Euronext N.V. (1)	ASS	535	47	460	38
Coriance Group	JV	171	(44)	219	(1)
Sicovam Holding	ASS	531	211		
Bpifrance group	JV	14,200	443	14,952	551
CDC Habitat group entities		483	5	487	12
La Poste group entities		860	(125)	973	(135)
Other equity-accounted entities (including emeis)		1,166	(247)	1,141	(160)
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES		**27,951**	**925**	**27,991**	**764**

(1) See note to the consolidated statement of financial position (1.5) referring to the first-time consolidation of the Euronext N.V. Group.
ASS: associates.
JV: joint ventures.

2.3.10.1 Information on equity-accounted companies

2.3.10.1.1 Bpifrance

	31.12.2024	31.12.2023
Percent control	49.18%	49.18%
Percent interest	49.32%	49.32%
Nature of relationship	Corporate financing and investment partner	Corporate financing and investment partner
Dividends received	€194m	€261m

Reconciliation of financial information with the equity-accounted carrying amount – Bpifrance

(in millions of euros)	31.12.2024	31.12.2023
Restated equity attributable to owners	28,792	30,316
Equity based on Caisse des Dépôts' percent interest	14,200	14,952
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**14,200**	**14,952**

2.3.10.1.2 Coentreprise de Transport d'Électricité

	31.12.2024	31.12.2023
Percent control and percent interest	29.90%	29.90%
Nature of relationship	Strategic interest	Strategic interest
Dividends received	€71m	€68m

Reconciliation of financial information with the equity-accounted carrying amount – Coentreprise de Transport d'Électricité

(in millions of euros)	31.12.2024	31.12.2023
Equity attributable to owners	3,817	3,607
Restatements (chiefly purchase price allocation)	917	917
Equity based on Caisse des Dépôts' percent interest	1,141	1,078
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**2,058**	**1,995**

2.3.10.1.3 GRT Gaz

	31.12.2024	31.12.2023
Percent control	38.63%	38.63%
Percent interest	26.84%	26.84%
Nature of relationship	Strategic interest	Strategic interest
Dividends received	€126m	€126m

Reconciliation of financial information with the equity-accounted carrying amount – GRT Gaz

(in millions of euros)	31.12.2024	31.12.2023
Equity attributable to owners	3,423	3,542
Goodwill	1,298	1,298
Equity based on SIG's percent control	1,323	1,365
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**2,621**	**2,663**

2.3.10.1.4 Holding d'Infrastructures Numériques

	31.12.2024	31.12.2023
Percent control	66.66%	66.66%
Percent interest	55.33%	55.33%
Nature of relationship	Strategic interest	Strategic interest

Reconciliation of financial information with the equity-accounted carrying amount – Holding d'Infrastructures Numériques

(in millions of euros)	31.12.2024	31.12.2023
Equity attributable to owners	901	1,010
Equity based on Caisse des Dépôts' percent interest	600	673
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**600**	**673**

2.3.10.1.5 Suez Holding

	31.12.2024	31.12.2023
Percent control	19.66%	19.66%
Percent interest	16.98%	16.98%
Nature of relationship	Strategic interest	Strategic interest
Interest income from equity-settled bonds	€22m	€18m

▼ Reconciliation of financial information with the equity-accounted carrying amount –Suez Holding

(in millions of euros)	31.12.2024	31.12.2023
Equity attributable to owners	2,539	2,625
Goodwill	620	620
Equity based on Caisse des Dépôts' percent interest	499	516
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**1,119**	**1,136**

2.3.10.1.6 Euroclear Holding SA/NV

	31.12.2024	31.12.2023
Percent control	11.41%	10.91%
Percent interest	11.41%	10.91%
Nature of relationship	Strategic interest	Strategic interest
Dividends received	€40m	€34m

▼ Reconciliation of financial information with the equity-accounted carrying amount – Euroclear Holding SA/NV

(in millions of euros)	31.12.2024	31.12.2023
Restated equity attributable to owners	9,830	8,295
Goodwill	273	273
Restated equity based on Caisse des Dépôts' percent interest	1,121	905
Provisions	(139)	(340)
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**1,255**	**838**

2.3.10.1.7 Sicovam Holding

	31.12.2024
Percent control	33.65%
Percent interest	33.65%
Nature of relationship	Strategic interest

▼ Reconciliation of financial information with the equity-accounted carrying amount –Sicovam Holding

(in millions of euros)	31.12.2024
Equity attributable to owners	1,578
Equity based on Caisse des Dépôts' percent interest	531
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**531**

2.3.10.1.8 Euronext N.V.

	31.12.2024	31.12.2023
Percent control	8.04%	7.32%
Percent interest	8.04%	7.32%
Nature of relationship	Strategic interest	Strategic interest
Dividends received	€20m	€17m

Reconciliation of financial information with the equity-accounted carrying amount – Euronext N.V.

(in millions of euros)	31.12.2024	31.12.2023
Restated equity attributable to owners	2,972	2,854
Goodwill	296	252
Restated equity based on Caisse des Dépôts' percent interest	239	209
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**535**	**460**

2.3.10.1.9 Coriance Group

	31.12.2024	31.12.2023
Percent control	49.90%	49.90%
Percent interest	49.90%	49.90%
Nature of relationship	Strategic interest	Strategic interest

Reconciliation of financial information with the equity-accounted carrying amount – Coriance

(in millions of euros)	31.12.2024	31.12.2023
Equity attributable to owners	(544)	(450)
Goodwill	443	443
Equity based on Caisse des Dépôts' percent interest	(271)	(224)
EQUITY-ACCOUNTED CARRYING AMOUNT IN CAISSE DES DÉPÔTS' STATEMENT OF FINANCIAL POSITION	**171**	**219**

A €347 million shareholders' advance was provided to Coriance on 31 December 2024.

2.3.11 Investment property, owner-occupied property and equipment and intangible assets

2.3.11.1 Investment property

The estimated market value of investment property excluding assets held-for-sale recognised was €31,096 million at 31 December 2024 versus €31,206 million at 31 December 2023. The method used to calculate the fair value of investment property corresponds to Level 3 in the fair value hierarchy.

(in millions of euros)	31.12.2023	Acquisitions (Increases)	Disposals (Decreases)	Fair value adjustment	Other movements	31.12.2024
Investment property at amortised cost (including right-of-use assets)	**17,689**	**1,208**	**(248)**		**(101)**	**18,548**
Gross value	23,501	2,045	(484)		(219)	24,843
Amortisation and impairment	(5,812)	(837)	236		118	(6,295)
Investment property at fair value	**6,332**	**63**	**(317)**	**(95)**	**(145)**	**5,838**
TOTAL INVESTMENT PROPERTY	**24,021**	**1,271**	**(565)**	**(95)**	**(246)**	**24,386**

2.3.11.2 Owner-occupied property and equipment

(in millions of euros)	31.12.2023	Acquisitions (Increases)	Disposals (Decreases)	Other movements[1]	31.12.2024
Owner-occupied property and equipment	**10,842**	**78**	**(66)**	**(1,269)**	**9,585**
Gross value	24,456	1,499	(1,134)	(3,222)	21,599
Amortisation and impairment	(13,614)	(1,421)	1,068	1,953	(12,014)
Right-of-use assets	**5,074**	**(326)**	**(1)**	**(454)**	**4,293**
Gross value	10,152	938	(21)	(2,346)	8,723
Amortisation and impairment	(5,078)	(1,264)	20	1,892	(4,430)
TOTAL OWNER-OCCUPIED PROPERTY AND EQUIPMENT	**15,916**	**(248)**	**(67)**	**(1,723)**	**13,878**

(1) Other movements mainly concern the reclassification of Transdev's non-current assets as "Non-current assets held for sale".

2.3.11.3 Intangible assets

(in millions of euros)	31.12.2023	Acquisitions (Increases)	Disposals (Decreases)	Other movements	31.12.2024
Gross value	14,238	997	(1,201)	(1,196)	12,838
Amortisation and impairment	(7,607)	(1,167)	1,354	629	(6,791)
TOTAL INTANGIBLE ASSETS	**6,631**	**(170)**	**153**	**(567)**	**6,047**
Of which acquired distribution agreements and contractual customer relationships	3,629	(161)		(529)	2,939

An impairment test performed on the La Poste Mail CGU's assets led to the impairment of all of these assets being maintained in a total amount of €839 million. The test was carried out on the basis of a business plan updated to best reflect five-year forecasts, with a perpetuity growth rate of -5% and a WACC of 7.1%. The impairment losses break down as follows: €191 million against intangible assets and €648 million against property and equipment.

2.3.12 Goodwill

2.3.12.1 Changes in goodwill by operating segment

(in millions of euros)	31.12.2023	Increases (Acquisitions)	Decreases (Disposals)	Impairment losses for the period[1]	Other movements[2]	31.12.2024
Compagnie des Alpes group	257	109				366
Transdev group	851	5	(6)		(850)	
La Poste group	2,099	18		(48)	32	2,101
TOTAL GOODWILL	**3,207**	**132**	**(6)**	**(48)**	**(818)**	**2,467**

(1) Negative goodwill of €146 million was recognised directly in the income statement in 2024, on the line "Changes in value of goodwill".
(2) Other movements mainly concern the reclassification of Transdev goodwill as assets held for sale (IFRS 5).

2.3.13 Debt securities

(in millions of euros)	31.12.2024	31.12.2023
Medium- and long-term issues	77,017	72,123
Short-term issues	27,061	30,187
Accrued interest	836	553
Interbank and negotiable debt securities	**104,914**	**102,863**
Bonds and similar debt securities	42,722	42,490
Accrued interest	539	517
Bonds and similar debt securities	**43,261**	**43,007**
TOTAL DEBT SECURITIES	**148,175**	**145,871**

2.3.14 Due to credit institutions

(in millions of euros)	31.12.2024	31.12.2023
Ordinary accounts in credit and overnight borrowings	1,854	1,851
Demand deposits from Savings Funds	5,303	7,023
Accrued interest	16	28
Amounts due to credit institutions repayable on demand	**7,173**	**8,902**
Accounts and borrowings with fixed maturities	16,379	16,174
Securities and other assets sold under collateralised fixed repurchase agreements	27,383	29,064
Accrued interest	9	174
Amounts due to credit institutions with fixed maturities	**43,771**	**45,412**
TOTAL AMOUNTS DUE TO CREDIT INSTITUTIONS	**50,944**	**54,314**

2.3.15 Due to customers

(in millions of euros)	31.12.2024	31.12.2023
Livret A passbook savings account	69,823	68,762
Home savings plans and accounts	22,564	26,805
Other regulated savings accounts	31,364	30,400
Regulated savings accounts	**123,751**	**125,967**
Current accounts in credit	136,825	150,932
Overnight accounts and borrowings	2,781	4,914
Other amounts due	1,733	1,623
Customer demand deposits	**141,339**	**157,469**
Accounts and borrowings with fixed maturities	16,091	16,293
Term deposits	3,164	4,866
Securities sold under collateralised term repurchase agreements	20,069	11,604
Amounts due to customers with fixed maturities	**39,324**	**32,763**
TOTAL AMOUNTS DUE TO CUSTOMERS	**304,414**	**316,199**

2.3.16 Offsetting of financial assets and liabilities

	31.12.2024					
(in millions of euros)	Gross amount of financial assets/liabilities	Amounts offset in the statement of financial position	Closing balance	Impact of master netting agreements and similar arrangements	Financial instruments given/received as collateral	Net
ASSETS						
Derivative financial instruments	9,837		9,837	7,569	790	1,478
Reverse repurchase agreements, securities borrowing agreements and similar	20,836	634	20,202	6,920	2,476	10,806
LIABILITIES						
Derivative financial instruments	13,088		13,088	6,984	3,201	2,903
Repurchase agreements, securities lending agreements and similar	55,485	634	54,851	7,901	23,576	23,374

	31.12.2023					
(in millions of euros)	Gross amount of financial assets/liabilities	Amounts offset in the statement of financial position	Closing balance	Impact of master netting agreements and similar arrangements	Financial instruments given/received as collateral	Net
ASSETS						
Derivative financial instruments	8,730		8,730	7,154	245	1,331
Reverse repurchase agreements, securities borrowing agreements and similar	5,767	1,836	3,931	265	645	3,021
LIABILITIES						
Derivative financial instruments	13,191		13,191	6,665	4,196	2,330
Repurchase agreements, securities lending agreements and similar	42,505	1,836	40,669	637	20,449	19,583

2.3.17 Provisions

(in millions of euros)	31.12.2023	Increases	Reversals (utilisations)	Reversals (surplus provisions)	Other movements[1]	31.12.2024
Provisions for employee benefit obligations	2,612	260	(516)	(53)	213	2,515
Provisions for home savings schemes	56	7	28			91
Provisions on commitments and guarantees	171	99	(110)	(7)		153
Provisions for counterparty risks	50	30	(33)	(6)	(7)	34
Other provisions	3,091	710	(596)	(99)	(718)	2,389
TOTAL PROVISIONS	**5,980**	**1,106**	**(1,227)**	**(164)**	**(512)**	**5,182**

(1) Other movements include a reversal of €967 million corresponding to the reclassification of Transdev provisions as "Liabilities related to assets held for sale" (see Note 2.3.9) and an increase of €291 million corresponding to the recognition of a provision for employee social protection obligations in La Poste's financial statements following the acquisition of La Mutuelle Générale's social protection activities (see Significant events).

2.3.18 Non-controlling interests

	31.12.2024							
		Non-controlling interests			Financial information published by subsidiaries[1]			
(in millions of euros)	Control percentage and ownership interest of non-controlling interests	Net profit (loss) for the period attributable to owners of non-controlling interests	Amount in equity at year-end attributable to non-controlling interests	Dividends paid to owners of non-controlling interests	Total assets	Equity	Net banking income/ revenue	Net profit (loss)
La Poste group[2]	34%	758	14,366		767,462	30,575	34,569	1,722
Icade[3]	60.4%	(100)	1,916	222	10,519	4,362	1,572	(317)
Compagnie des Alpes	57.2%	62	649	27	3,099	1,090	1,239	101
Other entities		(15)	236					
TOTAL		**705**	**17,167**					

	31.12.2023							
		Non-controlling interests			Financial information published by subsidiaries[1]			
(in millions of euros)	Control percentage and ownership interest of non-controlling interests	Net profit (loss) for the period attributable to owners of non-controlling interests	Amount in equity at year-end attributable to non-controlling interests	Dividends paid to owners of non-controlling interests	Total assets	Equity	Net banking income/ revenue	Net profit (loss)
La Poste group[2]	34%	541	15,165	143	765,524	30,769	34,073	776
Icade[3]	60.4%	609	2,250	199	11,601	5,068	1,657	(1,291)
Compagnie des Alpes	57.7%	59	635	24	2,539	1,063	1,125	97
Other entities		31	144					
TOTAL		**1,240**	**18,194**					

(1) The summarised financial information represents the data of sub-groups based on a 100% holding and before elimination of intra-group transactions.

(2) Contribution of La Poste group within the Caisse des Dépôts Group: La Poste, La Banque Postale, CNP Assurances.

(3) Unlike Caisse des Dépôts, Icade measures its investment properties using the fair value model. The change in fair value of investment properties recognised in Icade's financial statements was a decrease of €492 million in 2024, versus a €1.5 billion decrease in 2023.

2.4 Insurance activities

2.4.1 Insurance revenue

(in millions of euros)	31.12.2024	31.12.2023
Contracts valued using the BBA and VFA models	**10,152**	**10,078**
Amounts relating to changes in remaining coverage liabilities arising from:	**8,648**	**8,418**
Contractual service margin released to profit on insurance services provided during the period	2,244	2,212
Adjustment for non-financial risk released to profit	213	283
Expected expenses for the period relating to insurance contracts issued, net of amortisation of the loss component	6,003	5,724
Experience adjustments to premiums received and acquisition costs	188	200
Acquisition cash flows allocated to the period	**1,504**	**1,660**
Contracts valued using the PAA model	**1,667**	**1,607**
TOTAL INSURANCE REVENUE	**11,819**	**11,685**

2.4.2 Insurance service expenses

(in millions of euros)	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	31.12.2024
Incurred claims and other insurance service expenses	(6,490)	(1,307)	(7,797)
Amortisation of insurance acquisition cash flows	(1,504)	(21)	(1,525)
Adjustments to liabilities for incurred claims	497	46	543
Losses and reversals on groups of onerous contracts	(21)	2	(19)
INSURANCE SERVICE EXPENSES	**(7,518)**	**(1,280)**	**(8,798)**

(in millions of euros)	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	31.12.2023
Incurred claims and other insurance service expenses	(6,551)	(1,106)	(7,656)
Amortisation of insurance acquisition cash flows	(1,660)	(164)	(1,823)
Adjustments to liabilities for incurred claims	1,087	13	1,099
Losses and reversals on groups of onerous contracts	(59)	1	(58)
INSURANCE SERVICE EXPENSES	**(7,183)**	**(1,256)**	**(8,438)**

2.4.3 Income and expenses from reinsurance contracts held

(in millions of euros)	31.12.2024	31.12.2023
Reinsurance expenses – Contracts valued using the BBA model	**(3,080)**	**(675)**
Contractual service margin released to profit on insurance services received during the period	(31)	(72)
Change in non-financial risk adjustment due to expired risk	(10)	(10)
Expected expenses for the period	(3,001)	(584)
Experience adjustments	(38)	(9)
Reinsurance expenses – Contracts valued using the PAA model	**(150)**	**(167)**
Reinsurance income – Contracts valued using the BBA model	**3,002**	**609**
Reinsurance recoveries	3,037	636
Adjustments related to provisions recovered from reinsurers	(36)	(30)
Loss component		2
Change in risk adjustment related to ceded incurred claims	1	1
Reinsurance income – Contracts valued using the PAA model	**128**	**127**
REVENUE AND EXPENSES ON REINSURANCE CONTRACTS HELD	**(100)**	**(106)**

2.4.4 Finance income and expenses from insurance and reinsurance contracts (insurance financial margin)

(in millions of euros)	31.12.2024	31.12.2023
Financial assets at fair value through profit or loss		
Net gain or loss on financial instruments at fair value through profit or loss	10,843	9,923
Total income/(expense) from financial assets at fair value through profit or loss	**10,843**	**9,923**
Financial assets at fair value through OCI to be reclassified to profit or loss		
Net gain or loss on financial assets at fair value through OCI to be reclassified to profit or loss	(1,261)	(2,979)
Interest calculated using the EIR method	3,920	4,408
Gains and losses recognised directly in equity	798	11,306
Impairment losses	(3)	6
Total income/(expense) from financial assets at fair value through OCI to be reclassified to profit or loss	**3,454**	**12,740**
Financial assets at amortised cost		
Net gain or loss on derecognised financial assets at amortised cost		
Interest calculated using the EIR method	257	238
Impairment losses	(2)	(2)
Total income from financial assets at amortised cost	**255**	**236**
Financial assets at fair value through OCI not to be reclassified to profit or loss		
Income recognised in profit or loss	516	526
Gains and losses recognised directly in equity	203	2,309
Total income/(expense) from financial assets at fair value through OCI not to be reclassified to profit or loss	**719**	**2,835**
Investment property		
Net gains or losses on investment property (net of impairment)	(67)	(563)
Net income/(expense) from investment property	**(67)**	**(563)**
Other net investment income/(expense)	39	(60)
Investment income/(expense) (impact on profit and equity)	**15,243**	**25,111**
Cost of unwinding the discount and accrued interest on insurance contracts	(446)	(313)
Changes in fair value of underlying items	(12,621)	(11,172)
Changes in interest rates and the economic environment	(717)	(12,418)
Effect of risk mitigation	8	47
Foreign exchange differences on finance expenses from insurance contracts		
Finance income or expenses from insurance contracts issued	**(13,776)**	**(23,856)**
of which: recognised directly in equity	*(775)*	*(12,504)*
of which: recognised in profit or loss	*(13,001)*	*(11,352)*
Cost of unwinding the discount and accrued interest on reinsurance contracts	634	666
Changes in interest rates and the economic environment	(300)	760
Other financial effects on reinsurance contracts held	(194)	(554)
Finance income or expenses from reinsurance contracts held	**140**	**872**
of which: recognised directly in equity	*42*	*(15)*
of which: recognised in profit or loss	*98*	*888*
INVESTMENT INCOME NET OF EXPENSES	**1,607**	**2,127**
of which: recognised directly in equity	*268*	*1,096*
of which: recognised in profit or loss	*1,338*	*1,031*

2.4.5 Insurance income statement

(in millions of euros)	31.12.2024	31.12.2023
Insurance revenue	11,819	11,685
Insurance service expenses	(8,991)	(8,617)
Reinsurance income and expenses	(100)	(106)
Insurance service result	**2,727**	**2,962**
Investment income net of expenses	5,868	5,806
Gains and losses on disposals of investments	(1,222)	(3,038)
Change in fair value of financial assets at fair value through profit or loss	9,364	7,609
Cost of credit risk on financial investments of the insurance activities	(20)	(72)
Net gain or loss on derecognised financial assets at amortised cost		
Interest calculated using the EIR method	(85)	750
Finance income or expenses from insurance contracts issued	(13,001)	(11,352)
Finance income or expenses from reinsurance contracts held	98	888
Investment income net of expenses	**1,002**	**589**
Income and expenses from other activities	108	96
Other operating income and expenses	(986)	(958)
Total other income and expense, net	**(879)**	**(863)**
Recurring operating profit (loss)	**2,851**	**2,689**
Net non-recurring operating income and expenses	28	9
Operating profit (loss)	**2,879**	**2,698**
Finance costs	(157)	(136)
Changes in value of intangible assets	55	(70)
Share of profit of equity-accounted companies	95	72
Income tax expense	(925)	(730)
Profit (loss) from operations held for sale or discontinued operations	(26)	
Consolidated net profit (loss)	**1,921**	**1,834**
Non-controlling interests	**(846)**	**(793)**
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,075**	**1,042**

2.4.6 Insurance investments

(in millions of euros)	31.12.2024	31.12.2023
Financial assets at fair value through profit or loss	186,730	204,367
Hedging instruments with a negative fair value	86	58
Financial assets at fair value through other comprehensive income not to be reclassified to profit or loss	14,650	15,312
Financial assets at fair value through OCI to be reclassified	189,142	185,470
Securities at amortised cost	3,287	2,083
Investment property	6,046	6,712
Investments in equity-accounted companies	1,900	2,091
INSURANCE INVESTMENTS	**401,841**	**416,095**

2.4.6.1 Financial assets at fair value through profit or loss

(in millions of euros)	31.12.2024	31.12.2023
Debt instruments	**165,007**	**185,051**
Government paper and equivalents	2,100	2,751
Bonds	8,891	9,477
Negotiable debt securities	883	12,736
Subordinated securities	4,224	4,056
UCITS	59,598	59,581
Assets backing unit-linked contracts	85,366	91,603
Loans and advances	3,945	4,845
Equity instruments	**20,831**	**17,716**
Equities and other variable-income securities	15,373	14,567
Assets backing unit-linked contracts	5,458	3,149
Derivative instruments	**892**	**1,603**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**186,730**	**204,370**

2.4.6.2 Financial assets at fair value through other comprehensive income not to be reclassified to profit or loss

	31.12.2024	
(in millions of euros)	Fair value	Unrealised gains/losses
Equities, other variable-income securities and other securities held as long-term investments	14,650	3,541
Investments in non-consolidated companies		
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS	**14,650**	**3,541**
Tax		(688)
Gains and losses recognised directly in OCI on financial assets at fair value through OCI not to be reclassified (net of tax)		**2,853**

	31.12.2023	
(in millions of euros)	Fair value	Unrealised gains/losses
Equities, other variable-income securities and other securities held as long-term investments	15,296	3,868
Investments in non-consolidated companies	16	
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI NOT TO BE RECLASSIFIED	**15,312**	**3,868**
Tax		(773)
Gains and losses recognised directly in OCI on financial assets at fair value through OCI not to be reclassified (net of tax)		**3,096**

2.4.6.3 Financial assets at fair value through other comprehensive income to be reclassified

	31.12.2024	
(in millions of euros)	Fair value	Unrealised gains/losses
Government paper and equivalents	89,936	(19,519)
Bonds and other fixed-income securities	99,207	(6,480)
Total debt instruments	**189,142**	**(25,999)**
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI TO BE RECLASSIFIED	**189,142**	**(25,998)**
Tax		7,090
Gains and losses recognised directly in OCI on financial assets at fair value through OCI to be reclassified (net of tax)		**(18,908)**

	31.12.2023	
(in millions of euros)	Fair value	Unrealised gains/losses
Government paper and equivalents	95,134	(18,570)
Bonds and other fixed-income securities	90,336	(8,135)
Total debt instruments	**185,470**	**(26,705)**
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI TO BE RECLASSIFIED	**185,470**	**(26,705)**
Tax		7,309
Gains and losses recognised directly in OCI on financial assets at fair value through OCI to be reclassified (net of tax)		**(19,395)**

2.4.7 Insurance and reinsurance contracts

(in millions of euros)	Contracts valued using the BBA and VFA models	Contracts valued using the PPA model	31.12.2024
Liability for remaining coverage	**982**	**95**	**1,078**
Contracts valued using the PAA model		**95**	**95**
Contracts valued using the BBA and VFA models	**982**		**982**
Present value of future cash flows	1,276		1,276
Adjustment for non-financial risk (RA)	(60)		(60)
Contractual service margin	(234)		(234)
Liability for incurred claims	**(166)**	**2**	**(164)**
Present value of future cash flows	(162)	2	(160)
Adjustment for non-financial risk (RA)	(4)		(4)
Insurance acquisition cash flows not yet allocated to insurance contracts		**4**	**4**
INSURANCE CONTRACTS ISSUED – ASSETS	**816**	**101**	**917**
Liability for remaining coverage	**357,605**	**755**	**358,360**
Contracts valued using the PAA model		**755**	**755**
Contracts valued using the BBA and VFA models	**357,605**		**357,605**
Present value of future cash flows	339,733		339,733
Adjustment for non-financial risk (RA)	1,450		1,450
Contractual service margin (CSM)	16,422		16,422
Liability for incurred claims	**5,601**	**791**	**6,392**
Present value of future cash flows	5,547	744	6,291
Adjustment for non-financial risk (RA)	55	47	101
Insurance contracts issued – Liabilities (excluding investment contracts without a discretionary participation feature)	**363,206**	**1,546**	**364,752**
INSURANCE CONTRACTS (DIRECT BUSINESS AND INWARD REINSURANCE)	**362,390**	**1,445**	**363,835**
Insurance transactions relating to investment contracts without a discretionary participation feature			**2,019**
INSURANCE CONTRACTS ISSUED – LIABILITIES			**366,771**
Liability for remaining coverage	**5,763**	**73**	**5,837**
Contracts valued using the PAA model		**73**	**73**
Contracts valued using the BBA and VFA models	**5,763**		**5,763**
Present value of future cash flows	5,403		5,403
Adjustment for non-financial risk (RA)	110		110
Contractual service margin (CSM)	250		250
Liability for incurred claims	**450**	**221**	**671**
Present value of future cash flows	445	213	659
Adjustment for non-financial risk (RA)	5	8	13
Reinsurance contracts held – Assets (excluding investment contracts without a discretionary participation feature)	**6,213**	**295**	**6,508**
Reinsurance transactions relating to investment contracts without a discretionary participation feature			**15**
REINSURANCE CONTRACTS HELD – ASSETS			**6,523**
Liability for remaining coverage	**19**	**3**	**21**
Contracts valued using the PAA model		**3**	**3**
Contracts valued using the BBA and VFA models	**19**		**19**
Present value of future cash flows	17		17
Adjustment for non-financial risk (RA)	(8)		(8)
Contractual service margin	9		9
Liability for incurred claims	**(9)**		**(9)**
Present value of future cash flows	(9)		(9)
REINSURANCE CONTRACTS HELD – LIABILITIES (EXCLUDING INVESTMENT CONTRACTS WITHOUT A DISCRETIONARY PARTICIPATION FEATURE)	**10**	**3**	**13**
REINSURANCE CONTRACTS HELD, NET	**6,203**	**292**	**6,495**

(in millions of euros)	Contracts valued using the BBA and VFA models	Contracts valued using the PPA model	31.12.2023
Liability for remaining coverage	**1,389**	**165**	**1,554**
Contracts valued using the PAA model		**165**	**165**
Contracts valued using the BBA and VFA models	**1,389**		**1,389**
Present value of future cash flows	1,746		1,746
Risk adjustment for non-financial risk	(75)		(75)
Contractual service margin	(282)		(282)
Liability for incurred claims	**(213)**	**1**	**(212)**
Present value of future cash flows	(208)	1	(207)
Risk adjustment for non-financial risk	(5)		(5)
INSURANCE CONTRACTS ISSUED – ASSETS	**1,177**	**166**	**1,343**
Liability for remaining coverage	**368,836**	**825**	**369,661**
Contracts valued using the PAA model		**825**	**825**
Contracts valued using the BBA and VFA models	**368,836**		**368,836**
Present value of future cash flows	348,273		348,273
Risk adjustment for non-financial risk	1,895		1,895
Contractual service margin	18,668		18,668
Liability for incurred claims	**5,578**	**795**	**6,374**
Present value of future cash flows	5,521	749	6,269
Risk adjustment for non-financial risk	58	47	104
Insurance contracts issued – Liabilities (excluding investment contracts without a discretionary participation feature)	**374,415**	**1,620**	**376,035**
NET INSURANCE CONTRACTS (DIRECT BUSINESS AND INWARD REINSURANCE)	**373,238**	**1,454**	**374,692**
Insurance transactions relating to investment contracts without a discretionary participation feature			**2,395**
INSURANCE CONTRACTS ISSUED – LIABILITIES			**378,430**
Liability for remaining coverage	**8,060**	**82**	**8,142**
Contracts valued using the PAA model		**82**	**82**
Contracts valued using the BBA and VFA models	**8,060**		**8,060**
Present value of future cash flows	7,457		7,457
Risk adjustment for non-financial risk	91		91
Contractual service margin	512		512
Liability for incurred claims	**496**	**237**	**734**
Present value of future cash flows	490	227	717
Risk adjustment for non-financial risk	6	10	16
Reinsurance contracts held – Assets (excluding investment contracts without a discretionary participation feature)	**8,556**	**319**	**8,875**
Reinsurance transactions relating to investment contracts (without a discretionary participation feature)			**15**
REINSURANCE CONTRACTS HELD – ASSETS			**8,890**
Liability for remaining coverage	**43**	**20**	**63**
Contracts valued using the PAA model		**20**	**20**
Contracts valued using the BBA and VFA models	**43**		**43**
Present value of future cash flows	39		39
Risk adjustment for non-financial risk	(17)		(17)
Contractual service margin	20		20
Liability for incurred claims	**(8)**		**(8)**
Present value of future cash flows	(8)		(8)
REINSURANCE CONTRACTS HELD – LIABILITIES (EXCLUDING INVESTMENT CONTRACTS WITHOUT A DISCRETIONARY PARTICIPATION FEATURE)	**35**	**20**	**55**
REINSURANCE CONTRACTS HELD, NET	**8,521**	**299**	**8,820**

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 curves at 31 December 2024

Entity	Currency	1 year	5 years	10 years	20 years	30 years
CNP Assurances group	EUR	3.00%	2.8%	2.9%	2.9%	2.8%
Subsidiaries of the non-life insurance division	EUR	[2.4%–2.7%]	[2.3%–2.5%]	[2.4%–2.6%]	[2.4%–2.6%]	[2.4%–2.5%]
Subsidiaries, Europe excluding France	EUR	[2.6%–3.1%]	[2.3%–2.7%]	[2.4%–2.7%]	[2.4%–2.8%]	[2.4%–2.8%]
Brazilian subsidiaries	BRL	[13.0%–14.1%]	[13.2%–14.2%]	[12.6%–13.7%]	[10.9%–11.9%]	[9.4%–10.1%]

Discount curves at 31 December 2023

Entity	Currency	1 year	5 years	10 years	20 years	30 years
CNP Assurances group	EUR	4.29%	3.19%	3.21%	3.21%	3.09%
Subsidiaries of the non-life insurance division	EUR	[4.0%–4.2%]	[3.1%–3.3%]	[3.1%–3.3%]	[3.1%–3.3%]	[3.0%–3.2%]
Subsidiaries, Europe excluding France	EUR	[3.9%–5.2%]	[3.0%–4.4%]	[3.0%–4.4%]	[3.0%–4.3%]	[2.9%–4.0%]
Brazilian subsidiaries	BRL	[10.8%–11.1%]	[10.8%–11.2%]	[11.4%–11.8%]	[10.5%–10.8%]	[9.2%–9.4%]

2.4.8 Notes relating to insurance activities

2.4.8.1 Reconciliation of insurance contracts on the balance sheet and in the notes to the financial statements, for contracts valued using the BBA and VFA models

Intra-group margin

La Banque Postale distributes and manages insurance contracts on behalf of its subsidiaries. This activity generates distribution and management costs which are included in the Group's income statement.

The insurance subsidiaries pay insurance contract distribution and management fees to La Banque Postale. These fees include a mark-up charged by La Banque Postale to its subsidiaries.

Under IFRS 17, the component representing the insurance company's estimated obligation to policyholders – the present value of future cash flows or Best Estimate – incorporates all the costs associated with insurance activities, including the costs of distributing and managing insurance contracts.

The insurance subsidiaries' Best Estimates include the insurance contract distribution and management fees, with the mark-up.

At group level, the margin is not included in the Best Estimate, as it represents a profit and not a cost. It is therefore included in the CSM (representing future profits). As a result, the group vision of CSM is different from the sum of the insurance subsidiaries' CSMs, i.e., from the insurance vision of CSM. Group CSM includes a component representing the intra-group margin, which is determined by applying an estimated cost/income ratio to distribution and management fees. This margin is included in the CSM at group level.

CNP Assurance Protection Sociale – La Poste group contract

Following acquisition of control of La Mutuelle Générale's social protection business (see Note 1.1.1.9.6), insurance and reinsurance liabilities have been restated for the effects of the La Poste group contract, which has become an intra-group contract leading to the recognition of a liability in accordance with the provisions of IAS 19.

(in millions of euros)	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Opening net balance – Group vision at 1 January 2024	**352,256**	**2,032**	**18,950**	**373,238**
Elimination of intra-group fees and commission (distribution and management of insurance contracts)	1,588		(1,588)	
Opening net balance – Insurance vision at 1 January 2024	**353,844**	**2,032**	**17,362**	**373,238**
Closing net balance – Group vision at 31 December 2024	**344,571**	**1,593**	**16,674**	**362,838**
Elimination of intra-group fees and commission (distribution and management of insurance contracts)	1,776		(1,776)	
CNP Assurances Protection Sociale – La Poste group contract	(407)	(24)	(18)	(449)
Closing net balance – Group vision at 31 December 2024	**345,940**	**1,569**	**14,880**	**362,390**

(in millions of euros)	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Opening net balance – Group vision at 1 January 2023	**340,494**	**1,863**	**16,842**	**359,199**
Elimination of intra-group fees and commission (distribution and management of insurance contracts)	1,320		(1,320)	
Opening net balance – Insurance vision at 1 January 2023	**341,814**	**1,863**	**15,522**	**359,199**
Closing net balance – Group vision at 31 December 2023	**352,256**	**2,032**	**18,950**	**373,238**
Elimination of intra-group fees and commission (distribution and management of insurance contracts)	1,588		(1,588)	
Closing net balance – Group vision at 31 December 2023	**353,844**	**2,032**	**17,362**	**373,238**

2.4.8.2 Analysis by remaining coverage period and incurred claims – Contracts valued using the BBA and VFA models – Insurance

	31.12.2024				
	Net liability for remaining coverage				
(in millions of euros)	Excluding loss component	Loss component	Net liability for remaining coverage	Liability for incurred claims	Total
Balance of assets at 1 January 2024	(1,389)		(1,389)	213	(1,177)
Balance of liabilities at 1 January 2024	368,655	167	368,822	5,578	374,400
Opening net balance	**367,266**	**167**	**367,433**	**5,791**	**373,223**
Revenue from insurance contracts issued	**(10,151)**		**(10,151)**		**(10,151)**
Insurance service expenses	**1,504**	**21**	**1,525**	**6,159**	**7,684**
Incurred claims and other insurance service expenses		(30)	(30)	6,655	6,625
Amortisation of insurance acquisition cash flows	1,504		1,504		1,504
Adjustments to liabilities for incurred claims				(497)	(497)
Losses and reversals on groups of onerous contracts		52	52		52
Investment components	**(33,665)**		**(33,665)**	**33,665**	**-**
Insurance service result	**(42,313)**	**21**	**(42,292)**	**39,824**	**(2,468)**
Finance income or expenses from insurance contracts issued	**8,642**	**1**	**8,644**	**98**	**8,741**
Finance income or expenses from insurance contracts issued (excluding foreign exchange gains and losses)	13,497	1	13,498	151	13,649
Effect of exchange gains and losses	(4,854)		(4,854)	(53)	(4,907)
Total change in comprehensive income	**(33,671)**	**22**	**(33,648)**	**39,922**	**6,274**
Premiums received on insurance contracts issued	39,298		39,298		39,298
Incurred claims and other insurance service expenses paid				(39,984)	(39,984)
Insurance acquisition cash flows	(2,076)		(2,076)		(2,076)
Total cash flows	**37,222**		**37,222**	**(39,984)**	**(2,762)**
Changes in scope of consolidation	(14,441)	8	(14,432)	(221)	(14,653)
Other movements relating to changes in the net amount of insurance contracts	514	(16)	498	259	757
Other consolidation adjustments	**(13,927)**	**(8)**	**(13,934)**	**38**	**(13,896)**
CLOSING NET BALANCE	**356,891**	**182**	**357,072**	**5,767**	**362,839**
Balance of assets at 31 December 2024	(982)		(982)	166	(816)
Balance of liabilities at 31 December 2024	357,872	182	358,053	5,601	363,655

	31.12.2023				
	Net liability for remaining coverage				
(in millions of euros)	Excluding loss component	Loss component	Net liability for remaining coverage	Liability for incurred claims	Total
Balance of assets at 1 January 2023	(1,800)		(1,800)	457	(1,343)
Balance of liabilities at 1 January 2023	355,145	95	355,240	5,302	360,542
Opening net balance	**353,345**	**95**	**353,440**	**5,759**	**359,199**
Revenue from insurance contracts issued	**(10,078)**		**(10,078)**		**(10,078)**
Insurance service expenses	**1,660**	**59**	**1,719**	**5,616**	**7,335**
Incurred claims and other insurance service expenses		(21)	(21)	6,703	6,681
Amortisation of insurance acquisition cash flows	1,660		1,660		1,660
Adjustments to liabilities for incurred claims				(1,087)	(1,087)
Losses and reversals on groups of onerous contracts		80	80		80
Investment components	**(36,663)**		**(36,663)**	**36,663**	**-**
Insurance service result	**(45,081)**	**59**	**(45,022)**	**42,279**	**(2,743)**
Finance income or expenses from insurance contracts issued	**24,493**	**(4)**	**24,489**	**453**	**24,942**
Finance income or expenses from insurance contracts issued (excluding foreign exchange gains and losses)	23,330	(4)	23,326	442	23,768
Effect of exchange gains and losses	1,163		1,163	11	1,174
Total change in comprehensive income	**(20,588)**	**55**	**(20,533)**	**42,732**	**22,199**
Premiums received on insurance contracts issued	36,473		36,473		36,473
Incurred claims and other insurance service expenses paid				(42,702)	(42,702)
Insurance acquisition cash flows	(1,911)		(1,911)		(1,911)
Total cash flows	**34,562**		**34,562**	**(42,702)**	**(8,140)**
Changes in scope of consolidation					-
Other movements relating to changes in the net amount of insurance contracts	(53)	17	(36)	2	(35)
Other consolidation adjustments	**(53)**	**17**	**(36)**	**2**	**(35)**
CLOSING NET BALANCE	**367,265**	**167**	**367,432**	**5,791**	**373,223**
Balance of assets at 31 December 2023	(1,389)		(1,389)	213	(1,177)
Balance of liabilities at 31 December 2023	368,655	167	368,822	5,578	374,400

2.4.8.3 Analysis by accounting component – Contracts valued using the BBA and VFA models – insurance

(in millions of euros)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Balance of assets at 1 January 2024	(1,538)	79	282	(1,176)
Balance of liabilities at 1 January 2024	355,367	1,953	17,080	374,400
Opening net balance	**353,829**	**2,032**	**17,362**	**373,224**
Changes related to future service	**(236)**	**192**	**87**	**42**
Changes in estimates resulting in an adjustment to the contractual service margin	1,490	(1)	(1,501)	(12)
Changes in estimates resulting in losses and reversals on groups of onerous contracts	(27)	38		11
Effect of contracts recognised during the period	(1,699)	155	1,588	43
Changes related to services rendered during the period	**447**	**(192)**	**(2,244)**	**(1,989)**
Contractual service margin released to profit			(2,244)	(2,244)
Change in risk adjustment for non-financial risk		(192)		(192)
Experience adjustments	447			447
Changes related to past services	**(465)**	**(56)**		**(521)**
Adjustments to incurred claims	(465)	(56)		(521)
Insurance service result	**(254)**	**(56)**	**(2,157)**	**(2,468)**
Finance income or expenses from insurance contracts issued	**9,045**	**6**	**(309)**	**8,741**
Finance income or expense from insurance contracts issued (excluding exchange gains and losses)	13,500	37	111	13,649
Effect of exchange gains and losses	(4,455)	(31)	(421)	(4,907)
Total change in comprehensive income	**8,791**	**(50)**	**(2,467)**	**6,274**
Cash flows received or paid on insurance contracts	(2,762)			(2,762)
Total cash flows	**(2,762)**			**(2,762)**
Other consolidation adjustments	**(13,510)**	**(388)**	**2**	**(13,897)**
CLOSING NET BALANCE	**346,348**	**1,593**	**14,897**	**362,839**
Balance of assets at 31 December 2024	(1,114)	65	234	(816)
Balance of liabilities at 31 December 2024	347,462	1,529	14,664	353,655

(in millions of euros)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Balance of assets at 1 January 2023	(2,423)	354	725	(1,343)
Balance of liabilities at 1 January 2023	344,237	1,508	14,797	360,542
Opening net balance	**341,814**	**1,863**	**15,522**	**359,199**
Changes related to future service	**(4,243)**	**404**	**3,919**	**80**
Changes in estimates resulting in an adjustment to the contractual service margin	(2,159)	162	2,013	15
Changes in estimates resulting in losses and reversals on groups of onerous contracts	(15)	52		38
Effect of contracts recognised during the period	(2,069)	190	1,906	28
Changes related to service rendered during the period	**737**	**(262)**	**(2,212)**	**(1,737)**
Contractual service margin released to profit			(2,212)	(2,212)
Change in risk adjustment for non-financial risk		(262)		(262)
Experience adjustments	737			737
Changes related to past services	**(1,049)**	**(37)**		**(1,087)**
Adjustments to incurred claims	(1,049)	(37)		(1,087)
Insurance service result	**(4,555)**	**105**	**1,708**	**(2,744)**
Finance income or expenses from insurance contracts issued	**24,754**	**61**	**127**	**24,942**
Finance income or expense from insurance contracts issued (excluding exchange gains and losses)	23,657	56	55	23,768
Effect of exchange gains and losses	1,097	5	72	1,174
Total change in comprehensive income	**20,199**	**166**	**1,835**	**22,199**
Cash flows received or paid on insurance contracts	(8,140)			(8,140)
Total cash flows	**(8,140)**			**(8,140)**
Other consolidation adjustments	**(44)**	**4**	**5**	**(35)**
CLOSING NET BALANCE	**353,829**	**2,032**	**17,362**	**373,224**
Balance of assets at 31 December 2023	(1,538)	79	282	(1,176)
Balance of liabilities at 31 December 2023	355,367	1,953	17,080	374,400

2.4.8.4 Analysis by remaining coverage period and incurred claims – Contracts valued using the BBA model – Reinsurance held

	31.12.2024				
	Net assets for remaining coverage				
(in millions of euros)	Excluding loss recovery component	Loss recovery component	Remaining coverage component	Incurred claims component	Total
Balance of assets at 1 January 2024	8,098	5	8,103	496	8,599
Balance of liabilities at 1 January 2024	(43)		(43)	8	(35)
Opening net balance	**8,055**	**5**	**8,060**	**504**	**8,564**
Reinsurance income	**76**		**77**	**2,925**	**3,001**
Amounts recovered from reinsurers	76		77	2,961	3,038
• of which amounts recovered on past service and other reinsurance expenses	76		76	2,961	3,037
• of which losses and reversals on underlying onerous contracts					-
Adjustments to assets for incurred claims				36	(36)
Reinsurance expenses	**(3,079)**		**(3,079)**		**(3,079)**
Income and expenses from reinsurance contracts held	**(3,003)**		**(3,002)**	**2,925**	**(78)**
Finance income or expenses from reinsurance contracts held	**117**		**117**	**7**	**124**
Finance income or expense from reinsurance contracts held (excluding foreign exchange gains and losses)	117		117	7	124
Effect of exchange gains and losses					
Investment components	**(801)**		**(801)**	**801**	**-**
Total change in comprehensive income	**(3,686)**		**(3,686)**	**3,732**	**46**
Premiums paid	1,201		1,201		1,201
Reinsurance recoveries				(3,778)	(3,778)
Other cash flow timing differences (reinsurance deposits, acquisition costs, etc.)	(52)				(52)
Total cash flows	**1,149**		**1,149**	**(3,778)**	**(2,629)**
Changes in scope of consolidation	238	5	243	(16)	227
Other movements relating to changes in the net amount of reinsurance contracts	(21)	(1)	(21)	16	(5)
Other consolidation adjustments	**218**	**4**	**222**		**222**
CLOSING NET BALANCE	**5,736**	**9**	**5,745**	**459**	**6,203**
Balance of assets at 31 December 2024	5,754	9	5,763	450	6,213
Balance of liabilities at 31 December 2024	(19)		(19)	9	(10)

(in millions of euros)	31.12.2023				
	Net assets for remaining coverage				
	Excluding loss recovery component	Loss recovery component	Remaining coverage component	Incurred claims component	Total
Balance of assets at 1 January 2023	7,436	3	7,439	463	7,903
Balance of liabilities at 1 January 2023	(35)		(35)	15	(20)
Opening net balance	**7,401**	**3**	**7,404**	**478**	**7,883**
Reinsurance income	**73**	**2**	**75**	**535**	**609**
Amounts recovered from reinsurers	73	2	75	565	639
• of which amounts recovered on past service and other reinsurance expenses	73		73	565	638
• of which losses and reversals on underlying onerous contracts		2	2		2
Adjustments to assets for incurred claims				(30)	(30)
Reinsurance expenses	**(675)**		**(675)**		**(675)**
Income and expenses from reinsurance contracts held	**(602)**	**2**	**(601)**	**535**	**(66)**
Finance income or expenses from reinsurance contracts held	**887**		**887**	**9**	**896**
Finance income or expenses from reinsurance contracts held (excluding foreign exchange gains and losses)	887		887	9	896
Effect of exchange gains and losses					-
Investment components	**(875)**		**(875)**	**875**	**-**
Total change in comprehensive income	**(591)**	**2**	**(589)**	**1,419**	**830**
Premiums paid	1,295		1,295		1,295
Reinsurance recoveries				(1,393)	(1,393)
Other cash flow timing differences (reinsurance deposits, acquisition costs, etc.)	(59)		(59)		(59)
Total cash flows	**1,236**		**1,236**	**(1,393)**	**(157)**
Changes in scope of consolidation					-
Other movements relating to changes in the net amount of reinsurance contracts	9		9		9
Other consolidation adjustments	**9**		**9**		**9**
CLOSING NET BALANCE	**8,055**	**5**	**8,060**	**504**	**8,564**
Balance of assets at 31 December 2023	8,098	5	8,103	496	8,599
Balance of liabilities at 31 December 2023	(43)		(43)	8	(35)

2.4.8.5 Analysis by accounting component – Contracts valued using the BBA model – reinsurance contracts held

(in millions of euros)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	31 Dec. 2024
Balance of assets at 1 January 2024	7,990	97	512	8,599
Balance of liabilities at 1 January 2024	(32)	17	(20)	(35)
Opening net balance	**7,958**	**114**	**492**	**8,564**
Changes related to future service	**21**	**(19)**	**(2)**	
Changes in estimates resulting in an adjustment to the contractual service margin	29	(22)	(6)	
Changes in estimates resulting in losses and reversals on underlying onerous contracts				
Effect of contracts recognised during the period	(8)	4	4	
Changes related to services rendered during the period	**(4)**	**(8)**	**(30)**	**(41)**
Contractual service margin released to profit			(30)	(30)
Change in risk adjustment for non-financial risk		(8)		(8)
Experience adjustments	(4)			(4)
Changes related to past services	**(34)**	**(3)**		**(36)**
Adjustments to incurred claims	(34)	(3)		(36)
Income and expenses from reinsurance contracts held	**(17)**	**(29)**	**(32)**	**(78)**
Finance income or expenses from reinsurance contracts held	**109**	**12**	**3**	**124**
Total changes in comprehensive income	**93**	**(18)**	**(29)**	**46**
Cash flows	(2,629)			(2,629)
Total cash flows	**(2,629)**			**(2,629)**
Changes in scope of consolidation	418	8	(198)	227
Other movements relating to changes in the net amount of insurance contracts		19	(24)	(5)
Other consolidation adjustments	**418**	**26**	**(223)**	**222**
CLOSING NET BALANCE	**5,840**	**123**	**241**	**6,203**
Balance of assets at 31 December 2023	5,849	115	250	6,213
Balance of liabilities at 31 December 2023	(9)	8	(9)	(10)

(in millions of euros)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	31 Dec. 2023
Balance of assets at 1 January 2023	7,171	108	624	7,903
Balance of liabilities at 1 January 2023	(43)	22	1	(20)
Opening net balance	**7,127**	**131**	**625**	**7,883**
Changes related to future service	**68**	**(17)**	**(49)**	**2**
Changes in estimates resulting in an adjustment to the contractual service margin	71	(22)	(48)	-
Changes in estimates resulting in losses and reversals on underlying onerous contracts				
Effect of contracts recognised during the period	(3)	5	(1)	2
Changes related to services rendered during the period	**43**	**(8)**	**(72)**	**(38)**
Contractual service margin released to net profit			(72)	(72)
Change in risk adjustment for non-financial risk		(8)		(8)
Experience adjustments	43			43
Changes related to past services	**(28)**	**(3)**		**(31)**
Adjustments to incurred claims	(28)	(3)		(30)
Income and expenses from reinsurance contracts held	**83**	**(28)**	**(121)**	**(66)**
Finance income or expenses from reinsurance contracts held	**881**	**12**	**3**	**896**
Total changes in comprehensive income	**964**	**(16)**	**(118)**	**830**
Cash flows	(157)			(157)
Total cash flows	**(157)**			**(157)**
Other movements relating to changes in the net amount of insurance contracts	24		(14)	9
Other consolidation adjustments	**24**		**(14)**	**9**
CLOSING NET BALANCE	**7,958**	**114**	**492**	**8,564**
Balance of assets at 31 December 2023	7,990	97	512	8,599
Balance of liabilities at 31 December 2023	(32)	17	(20)	(35)

2.4.8.6 Analysis by remaining coverage period and incurred claims – Contracts valued using the PPA model – Insurance

(in millions of euros)	31.12.2024							
	Net liability for remaining coverage			Liability for incurred claims				
	Excluding loss component	Loss component	Net liability for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Liability for incurred claims	Acquisition costs not allocated to contracts	Total
Balance of assets at 1 January 2024	(165)		(165)	(1)		(1)		(166)
Balance of liabilities at 1 January 2024	823	2	825	749	47	795		1,620
Opening net balance	**658**	**2**	**660**	**747**	**47**	**794**		**1,454**
Revenue from insurance contracts issued	(1,667)		(1,667)					(1,667)
Insurance service expenses	**21**	**(2)**	**20**	**1,288**		**1,288**		**1,308**
Incurred claims and other insurance service expenses				1,324	11	1,335		1,335
Amortisation of insurance acquisition cash flows	21		21					21
Adjustments to liabilities for incurred claims				(35)	(11)	(46)		(46)
Losses and reversals on groups of onerous contracts		(2)	(2)					(2)
Insurance service result	**(1,646)**	**(2)**	**(1,648)**	**1,288**		**1,288**		**(359)**
Finance income or expenses from insurance contracts issued	**41**							
Finance income or expenses from insurance contracts issued				41	4	45		45
Effect of exchange gains and losses								-
Total change in comprehensive income	**(1,646)**	**(2)**	**(1,648)**	**1,329**	**4**	**1,333**		**(314)**
Premiums received on insurance contracts issued	1,685		1,685					1,685
Incurred claims and other insurance service expenses paid				(1,274)		(1,274)		(1,274)
Insurance acquisition cash flows	(34)		(34)					(34)
Total cash flows	**1,651**		**1,651**	**(1,274)**		**(1,274)**		**377**
Changes in scope of consolidation	(13)	5	(8)	(61)	(4)	(65)		(73)
Other movements relating to changes in the net amount of insurance contracts	9	(5)	4				(4)	1
Other consolidation adjustments	**(4)**		**(4)**	**(61)**	**(4)**	**(65)**	**(4)**	**(72)**
CLOSING NET BALANCE	**660**		**660**	**742**	**47**	**789**	**(4)**	**1,445**
Balance of assets at 31 December 2024	(95)		(95)	(2)		(2)	(4)	(101)
Balance of liabilities at 31 December 2024	755		755	744	47	791		1,546

	31.12.2023							
	Net liability for remaining coverage			Liability for incurred claims				
(in millions of euros)	Excluding loss component	Loss component	Net liability for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Liability for incurred claims	Acquisition costs not allocated to contracts	Total
Balance of assets at 1 January 2023	(97)		(97)	(1)		(1)	(65)	(163)
Balance of liabilities at 1 January 2023	871	4	874	666	44	710		1,584
Opening net balance	**774**	**4**	**778**	**665**	**44**	**709**	**(65)**	**1,422**
Revenue from insurance contracts issued	**(1,607)**		**(1,607)**					**(1,607)**
Insurance service expenses	**164**	**(1)**	**162**	**1,120**		**1,120**		**1,282**
Incurred claims and other insurance service expenses				1,122	10	1,132		1,132
Amortisation of insurance acquisition cash flows	164		164					164
Adjustments to liabilities for incurred claims				(3)	(10)	(13)		(13)
Losses and reversals on groups of onerous contracts		(1)	(1)					(1)
Insurance service result	**(1,443)**	**(1)**	**(1,445)**	**1,120**		**1,120**		**(325)**
Finance income or expenses from insurance contracts issued	**(5)**		**(5)**	**14**	**2**	**15**		**10**
Finance income or expenses from insurance contracts issued				14	2	15		15
Effect of exchange gains and losses	(5)		(5)					(5)
Total change in comprehensive income	**(1,448)**	**(1)**	**(1,450)**	**1,133**	**2**	**1,135**		**(315)**
Premiums received on insurance contracts issued	1,566		1,566					1,566
Claims and other insurance service expenses paid				(1,051)		(1,051)		(1,051)
Insurance acquisition cash flows	(169)		(169)					(169)
Total cash flows	**1,397**		**1,397**	**(1,051)**		**(1,051)**		**346**
Other movements relating to changes in the net amount of insurance contracts	(65)		(65)		1	1	65	1
Other consolidation adjustments	**(65)**		**(65)**		**1**	**1**	**65**	**1**
CLOSING NET BALANCE	**658**	**2**	**660**	**747**	**47**	**794**		**1,454**
Balance of assets at 31 December 2023	(165)		(165)	(1)		(1)		(166)
Balance of liabilities at 31 December 2023	823	2	825	749	47	795		1,620

2.4.8.7 Analysis by remaining coverage period and incurred claims – Contracts valued using the PAA model – Reinsurance held

	31.12.2024						
	Remaining coverage component			Incurred claims component			
(in millions of euros)	Excluding loss recovery component	Loss recovery component	Remaining coverage component	Present value of future cash flows	Risk adjustment for non-financial risk	Incurred claims component	Total
Balance of assets at 1 January 2024	82		82	227	10	237	319
Balance of liabilities at 1 January 2024	(20)		(20)				(20)
Opening net balance	**62**		**62**	**227**	**10**	**237**	**299**
Reinsurance income				**130**	**(2)**	**128**	**128**
Amounts recovered from reinsurers				147		147	147
• of which amounts recovered on past service and other reinsurance expenses				147		147	147
Adjustments to amounts recovered from reinsurers				(17)	(2)	(19)	(19)
Reinsurance expenses	**(150)**		**(150)**				**(150)**
Income and expenses from reinsurance contracts held	**(150)**		**(150)**	**130**	**(2)**	**128**	**(22)**
Finance income or expenses from reinsurance contracts held	**(1)**		**(1)**	**11**	**1**	**12**	**12**
Finance income or expenses from reinsurance contracts held (excluding foreign exchange gains and losses)				15	1	15	15
Effect of exchange gains and losses	(1)		(1)	(3)		(3)	(4)
Total change in comprehensive income	**(151)**		**(151)**	**141**	**(1)**	**140**	**(10)**
Premiums paid	157		157				157
Reinsurance recoveries				(131)		(131)	(131)
Total cash flows	**157**		**157**	**(131)**		**(131)**	**26**
Changes in scope of consolidation	(3)		(3)	(18)	(1)	(18)	(21)
Other movements relating to changes in the net amount of insurance contracts	6		6	(6)	(1)	(7)	(1)
Other consolidation adjustments	**3**		**3**	**(24)**	**(1)**	**(25)**	**(22)**
CLOSING NET BALANCE	**71**		**71**	**213**	**8**	**221**	**292**
Balance of assets at 31 December 2024	73		73	213	8	221	295
Balance of liabilities at 31 December 2024	(3)		(3)				(3)

	31.12.2023						
	Remaining coverage component			Incurred claims component			
(in millions of euros)	Excluding loss recovery component	Loss recovery component	Remaining coverage component	Present value of future cash flows	Risk adjustment for non-financial risk	Incurred claims component	Total
Balance of assets at 1 January 2023	89		89	205	10	215	304
Balance of liabilities at 1 January 2023	(13)		(13)				(13)
Opening net balance	**76**		**76**	**205**	**10**	**215**	**291**
Reinsurance income		**(2)**	**(2)**	**130**	**(1)**	**129**	**127**
Amounts recovered from reinsurers		(2)	(2)	126		126	124
• of which amounts recovered on past service and other reinsurance expenses		(2)	(2)	126		126	124
Adjustments to amounts recovered from reinsurers				4	(1)	3	3
Reinsurance expenses	**(167)**		**(167)**				**(167)**
Income and expenses from reinsurance contracts held	**(167)**	**(2)**	**(169)**	**130**	**(1)**	**129**	**(40)**
Finance income or expenses from reinsurance contracts held				**3**		**3**	**3**
Finance income or expenses from reinsurance contracts held (excluding foreign exchange gains and losses)				3		3	3
Effect of exchange gains and losses							1
Total change in comprehensive income	**(167)**	**(2)**	**(169)**	**133**		**133**	**(36)**
Premiums paid	156		156				156
Reinsurance recoveries		2	2	(113)		(113)	(111)
Total cash flows	**156**	**2**	**158**	**(113)**		**(113)**	**45**
Changes in scope of consolidation							-
Other movements relating to changes in the net amount of insurance contracts	(3)		(3)	2		2	(1)
Other consolidation adjustments	**(3)**		**(3)**	**2**		**2**	**(1)**
CLOSING NET BALANCE	**62**		**62**	**227**	**10**	**237**	**299**
Balance of assets at 31 December 2023	82		82	227	10	237	319
Balance of liabilities at 31 December 2023	(20)		(20)				(20)

2.4.8.8 Contractual service margin by transition approach

(in millions of euros)	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts[1]	Total
Contractual service margin at 1 January 2024	**140**	**13,619**	**3,604**	**17,362**
Changes related to future service	**30**	**(1,359)**	**1,416**	**87**
Changes in estimates resulting in an adjustment to the contractual service margin	30	(1,359)	(172)	(1,501)
Effect of contracts recognised during the period			1,588	1,588
Changes related to services rendered during the period	**(51)**	**(1,828)**	**(365)**	**(2,244)**
Contractual service margin released to net profit for services provided	(51)	(1,828)	(365)	(2,244)
Finance income or expense from insurance contracts issued	**6**	**(139)**	**(177)**	**(309)**
Finance income or expense from insurance contracts issued	6	76	29	111
Effect of exchange gains and losses		(215)	(206)	(421)
Other consolidation adjustments		**494**	**(493)**	**2**
Changes in scope of consolidation		(186)	(199)	(385)
Other movements relating to changes in the net amount of insurance contracts		681	(294)	387
Contractual service margin at 31 December 2024	**125**	**10,787**	**3,985**	**14,897**

(1) Other contracts correspond to contracts that did not exist at the transition date.

(in millions of euros)	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts[1]	Total
Contractual service margin at 1 January 2023	**158**	**13,246**	**2,118**	**15,522**
Changes related to future service	**(20)**	**2,082**	**1,857**	**3,919**
Changes in estimates resulting in an adjustment to the contractual service margin	(20)	2,082	(49)	2,013
Effect of contracts recognised during the period			1,906	1,906
Changes related to services rendered during the period	**(48)**	**(1,741)**	**(422)**	**(2,212)**
Contractual service margin released to net profit for services provided	(48)	(1,741)	(422)	(2,212)
Finance income or expense from insurance contracts issued	**4**	**29**	**94**	**127**
Finance income or expense from insurance contracts issued	6	(7)	57	55
Effect of exchange gains and losses	(2)	37	37	72
Other movements relating to changes in the net amount of insurance contracts	46	3	(44)	5
Contractual service margin at 31 December 2023	**140**	**13,619**	**3,604**	**17,362**

(1) Other contracts correspond to contracts that did not exist at the transition date.

2.4.8.9 Contractual service margin on reinsurance contracts held, by transition approach

(in millions of euros)	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts[(1)]	Total
Ceded portion – Contractual service margin at 1 January 2024	**64**	**417**	**11**	**492**
Ceded portion – Changes related to future service	**1**	**(45)**	**42**	**(2)**
Changes in estimates resulting in an adjustment to the contractual service margin	1	(45)	37	(6)
Effect of contracts recognised during the period			4	4
Ceded portion – Changes related to services rendered during the period	**(7)**	**(21)**	**(3)**	**(30)**
Contractual service margin released to net profit for services provided	(7)	(21)	(3)	(30)
Ceded portion – Finance income or expenses from reinsurance contracts held	**1**	**2**		**3**
Finance income or expenses from reinsurance contracts held	1	2		3
Ceded portion – Other consolidation adjustments		**(18)**	**(205)**	**(223)**
Changes in scope of consolidation		7	(205)	(198)
Other movements relating to changes in the net amount of reinsurance contracts		(24)		(24)
Ceded portion – contractual service margin at 31 December 2024	**60**	**336**	**(155)**	**241**

(1) Other contracts correspond to contracts that did not exist at the transition date.

(in millions of euros)	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts[(1)]	Total
Ceded portion – contractual service margin at 1 January 2023	**76**	**541**	**8**	**625**
Ceded portion – Changes related to future service	**9**	**(66)**	**8**	**(49)**
Changes in estimates resulting in an adjustment to the contractual service margin	9	(66)	9	(48)
Effect of contracts recognised during the period			(1)	(1)
Ceded portion – Changes related to services rendered during the period	**(7)**	**(60)**	**(5)**	**(72)**
Contractual service margin released to net profit for services provided	(7)	(60)	(5)	(72)
Ceded portion – Finance income or expenses from reinsurance contracts held	**1**	**2**		**3**
Finance income or expenses from reinsurance contracts held	1	2		3
Ceded portion – Other consolidation adjustments	**(14)**			**(14)**
Other movements relating to changes in the net amount of reinsurance contracts	(14)			(14)
Ceded portion – contractual service margin at 31 December 2023	**64**	**417**	**11**	**492**

(1) Other contracts correspond to contracts that did not exist at the transition date.

2.4.9 Notes relating to insurance risks

2.4.9.1 Analysis of sensitivity to surrender risk

	31.12.2024			31.12.2023		
	Other comprehensive income	Net profit (loss)	Impact on equity	Other comprehensive income	Net profit (loss)	Impact on equity
10% increase in the surrender rate	(0%)	(2%)	(0%)	0%	(3%)	0%

2.4.9.2 Analysis of sensitivity to interest rate risks

	31.12.2024			31.12.2023		
	Other comprehensive income	Net profit (loss)	Impact on equity	Other comprehensive income	Net profit (loss)	Impact on equity
+100 bps	(2%)	(5%)	(2%)	(2%)	(12%)	(3%)
-100 bps	2%	4%	2%	2%	11%	3%

2.4.9.3 Analysis of sensitivity to property risk

	31.12.2024			31.12.2023		
	Other comprehensive income	Net profit (loss)	Impact on equity	Other comprehensive income	Net profit (loss)	Impact on equity
Property market down 15% in 2024 and down 25% in 2023	0%	(12%)	(1%)	0%	(34%)	(2%)

2.4.9.4 Analysis of sensitivity to equity risk

	31.12.2024			31.12.2023		
	Other comprehensive income	Net profit (loss)	Impact on equity	Other comprehensive income	Net profit (loss)	Impact on equity
25% fall in equity prices	(2%)	(27%)	(3%)	(2%)	(29%)	(4%)

2.4.9.5 Liquidity risk – insurance contract liabilities net of insurance assets – amounts due – surrenders

	31.12.2024		31.12.2023	
(in millions of euros)	Surrender value	Carrying amount	Surrender value	Carrying amount
Contracts with immediate surrender option	51,527	57,230	40,319	54,451
Contracts with no immediate surrender option	296,190	307,054	303,508	320,277
TOTAL	**347,717**	**364,283**	**343,826**	**374,646**

2.4.9.6 Liquidity risk – future cash flows

	31.12.2024					
(in millions of euros)	Less than 1 year	1-5 years	5-10 years	10-15 years	> 15 years	Total
Financial assets at fair value through profit or loss	13,512	3,811	3,272	499	3,992	25,086
Financial assets at fair value through OCI to be reclassified to profit or loss	18,380	67,401	68,826	28,702	41,223	224,532
Financial assets at amortised cost	112	1,103	2,081	806	12	4,114
TOTAL	**32,004**	**72,316**	**74,179**	**30,007**	**45,227**	**253,732**

	31.12.2023					
(in millions of euros)	Less than 1 year	1-5 years	5-10 years	10-15 years	> 15 years	Total
Financial assets at fair value through profit or loss	14,553	3,916	4,770	702	4,113	28,054
Financial assets at fair value through OCI to be reclassified to profit or loss	18,621	68,460	73,985	25,637	39,756	226,459
Financial assets at amortised cost	62	713	1,364	437	8	2,584
TOTAL	**33,236**	**73,089**	**80,119**	**26,777**	**43,878**	**257,098**

2.5 Commitments given and received

2.5.1 Commitments given and received

(in millions of euros)	31.12.2024	31.12.2023
Commitments given	**160,695**	**140,990**
Financing commitments		
To credit institutions	10,768	8,583
To customers	31,054	30,175
Guarantee commitments		
To credit institutions	953	1,155
To customers	2,864	2,788
Securities-related commitments		
Securities to be delivered	31,289	13,756
Other commitments given		
To credit institutions	59,390	59,654
To customers	24,377	24,879

(in millions of euros)	31.12.2024	31.12.2023
Commitments received	**183,787**	**161,748**
Financing commitments		
From credit institutions	51,601	40,649
From customers	13,067	6,120
Guarantee commitments		
From credit institutions	60,802	61,139
From customers	27,707	25,215
Securities-related commitments		
Securities to be received	6,220	2,804
Other commitments received		
From credit institutions	22,367	22,362
From customers	2,023	3,459

2.5.2 Exposure to credit risk on financing commitments and guarantees given

2.5.2.1 Exposure to credit risk on financing commitments and guarantees given

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: expected credit losses – Impaired loans	Total commitments given
Opening position at 01.01.2024	**38,164**	**4,414**	**122**	**42,700**
Increase	20,333	1,768	113	22,214
Decrease	(17,239)	(1,932)	(106)	(19,277)
Transfer between stages	(155)	126	29	
Other movements		2		2
CLOSING POSITION AT 31.12.2024	**41,103**	**4,378**	**158**	**45,639**

2.5.2.2 Breakdown of provisions for expected credit losses

(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: expected credit losses – Impaired loans	Total provisions for expected credit losses
Opening position at 01.01.2024	**(59)**	**(81)**	**(31)**	**(171)**
Allocations on movements during the period	(34)	(14)	(27)	(75)
Other allocations	(4)	(17)	(3)	(24)
Reversals used with write-off	14			14
Reversals related to asset disposals	12	25	23	60
Other unused reversals	18	20	5	43
Other movements	13	(1)	(11)	1
CLOSING POSITION AT 31.12.2024	**(40)**	**(68)**	**(44)**	**(152)**

2.6 Fair value of financial instruments

2.6.1 Fair value of financial assets and liabilities measured at amortised cost

(in millions of euros)	31.12.2024				
	Carrying amount	Estimated market value	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3
ASSETS					
Securities at amortised cost	88,596	82,752	73,817	7,853	1,082
Loans and receivables due from credit institutions and related entities at amortised cost	105,055	105,152	56	102,832	2,264
Loans and receivables due from customers at amortised cost	197,306	185,433		119,119	66,314
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**390,957**	**373,337**	**73,873**	**229,804**	**69,660**
LIABILITIES					
Debt securities	148,175	143,583	70,007	67,797	5,779
Due to credit institutions	50,944	50,995		49,132	1,863
Due to customers	304,414	303,039		301,711	1,328
Subordinated debt	10,054	9,844	2,582	7,262	
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	**513,587**	**507,461**	**72,589**	**425,902**	**8,970**

(in millions of euros)	31.12.2023				
	Carrying amount	Estimated market value	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3
ASSETS					
Securities at amortised cost	87,085	81,728	70,144	10,264	1,320
Loans and receivables due from credit institutions and related entities at amortised cost	112,271	112,220	57	111,822	341
Loans and receivables due from customers at amortised cost	190,621	174,939		111,995	62,944
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**389,977**	**368,887**	**70,201**	**234,081**	**64,605**
LIABILITIES					
Debt securities	145,871	141,655	66,830	65,148	9,677
Due to credit institutions	54,314	53,969		53,906	63
Amounts due to customers	316,199	313,771		312,101	1,670
Subordinated debt	9,484	8,892	2,521	6,371	
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	**525,868**	**518,287**	**69,351**	**437,526**	**11,410**

2.6.2 Financial instruments measured at fair value

(in millions of euros)	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3	Total 31.12.2024
Financial assets at fair value				
Financial assets at fair value through profit or loss – Mandatory classification	58,894	31,110	32,878	122,882
Financial assets at fair value through profit or loss – Fair value option	2,496	21	426	2,943
Assets backing unit-linked contracts	84,138	6,147	540	90,825
Derivative instruments held for trading	3	6,035	1	6,039
Hedging instruments with a negative fair value		3,786	10	3,795
Financial assets at fair value through OCI to be reclassified	180,415	28,728	1,336	210,479
Financial assets at fair value through OCI not to be reclassified	42,764	2,675	550	45,989
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets		(730)	(10)	(740)
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**368,710**	**77,772**	**35,731**	**482,212**
Financial liabilities at fair value				
Financial liabilities at fair value through profit or loss	353	12,224		12,576
Derivative instruments held for trading	3	5,627	32	5,663
Hedging instruments with a negative fair value	3	7,428	27	7,457
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities	(177)	(412)	(100)	(689)
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**182**	**24,866**	**(41)**	**25,007**

(in millions of euros)	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3	Total 31.12.2023
Financial assets at fair value				
Financial assets at fair value through profit or loss – Mandatory classification	61,141	39,914	32,848	133,903
Financial assets at fair value through profit or loss – Fair value option	2,886	21	470	3,377
Assets backing unit-linked contracts	88,312	6,282	159	94,753
Derivative instruments held for trading	4	5,240	27	5,271
Hedging instruments with a positive fair value	2	3,356	70	3,428
Financial assets at fair value through OCI to be reclassified	188,307	13,233	1,850	203,390
Financial assets at fair value through OCI not to be reclassified(1)	42,788	2,443	563	45,794
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets		(1,385)	(10)	(1,395)
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**383,440**	**69,104**	**35,977**	**488,521**
Financial liabilities at fair value				
Financial liabilities at fair value through profit or loss	158	9,731		9,889
Derivative instruments held for trading	5	4,486	20	4,511
Hedging instruments with a negative fair value		8,676	34	8,710
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities	(211)	(977)	(124)	(1,312)
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**(48)**	**21,916**	**(70)**	**21,798**

(1) See note to the consolidated statement of financial position (1.5) referring to the first-time consolidation of the Euronext N.V. Group.

- *The Group's financial instruments are partly measured using prices "quoted on an active market" (Level 1 of the fair value hierarchy).*

  These include:
  - *equities, measured on the basis of quoted prices on their reference market;*
  - *bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent of the quoted prices available on the stock exchange, from brokers, trading rooms or trading platforms;*
  - *units in UCITS and other funds, measured at net asset value;*
  - *BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;*
  - *derivative instruments traded on an organised market (futures, options, etc.).*
- *Financial instruments "Measured using observable inputs" (Level 2 of the hierarchy) concern instruments that are measured using the prices of:*
  - *similar-type instruments quoted on an active market, from the same issuer or guarantor. In that case, the prices and other observable market inputs are used and an adjustment may be made to account for the instrument's degree of illiquidity; or*
  - *identical or similar-type instruments quoted on a non-active market on which regular, observable transactions take place, or financial instruments measured using inputs other than quoted prices that are observable.*

  These include:
  - *structured products valued by the Group, arrangers or external valuers;*
  - *OTC derivatives contracts;*
  - *money market securities other than BTANs measured based on the zero coupon price curve plus a spread.*

  Derivatives are classified based on an analysis that combines the observability of the market inputs used in the valuation and the robustness of the valuation models measured in terms of effectiveness in providing a valuation within market consensus. This approach shows that the derivatives used by the Caisse des Dépôts Group to hedge its activities fall mainly into Level 2.
- *Financial instruments "Measured using unobservable inputs" (Level 3 of the hierarchy) concern financial instruments measured using inputs not based on observable market data. 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.*

  These instruments are mainly unlisted participating interests, asset-backed securities and hedging derivatives.

  The market value of unlisted participating interests classified as financial assets at fair value through other comprehensive income is calculated by reference to certain criteria such as net assets, future profitability and discounted future cash flows.

2.6.3 Change in value of financial instruments measured at fair value using a technique based on unobservable inputs (Level 3)

(in millions of euros)	Financial assets designated at fair value through profit or loss	Financial assets at fair value through OCI to be reclassified	Financial assets at fair value through OCI not to be reclassified	Hedging instruments	Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets	Total
Balance at 01.01.2023	**31,762**	**4,260**	**615**	**1,153**		**37,790**
Additions	8,468	2	138			8,608
Disposals and repayments	(5,839)	(93)	(12)	(161)	2	(6,103)
Transfers to or from Level 3	(396)	(2,250)	3	(951)		(3,594)
Gains and losses in the period recognised in OCI		(69)	(25)			(94)
Gains and losses in the period recognised in profit or loss	(325)			28	(1)	(298)
Effect of changes in scope of consolidation and other movements	(166)		(156)	1	(11)	(332)
Balance at 31.12.2023	**33,504**	**1,850**	**563**	**70**	**(10)**	**35,977**
Additions	4,465	233	37			4,735
Disposals and repayments	(3,580)	(93)	(1)	(27)	2	(3,699)
Transfers to or from Level 3	112	(675)		(33)		(596)
Gains and losses in the period recognised in OCI		49	(34)			15
Gains and losses in the period recognised in profit or loss	473				(2)	471
Effect of changes in scope of consolidation and other movements	(1,129)	(28)	(15)			(1,172)
BALANCE AT 31.12.2024	**33,845**	**1,336**	**550**	**10**	**(10)**	**35,731**

2.7 Risk factors

2.7.1 Risk factors and risk appetite strategy

To carry out its public-interest missions and fulfil its role as a long-term investor, Caisse des Dépôts has adopted risk appetite principles that meet the following objectives:

- **protect the savings and deposits** entrusted to it as a fiduciary manager of private funds;
- implement a strategy that focuses on a **long-term vision** (at least five years) to maintain the ability to take **countercyclical** action;
- support investment and financing projects **conducive to the balanced and sustainable development of the economy and society**, with the aim of generating future financial, environmental and social benefits, and develop innovation to serve the regions, their people and the economic fabric;
- apply a **financial**, management and diversification policy to its investments and financing in order to **consolidate its financial base** and strengthen its equity for the benefit of its public-interest missions, especially through the integration of systemic risks such as climate change;
- **protect Caisse des Dépôts' reputation** by complying with applicable laws and regulations, adopting best ethical practices and **carefully managing non-financial risks** that might hurt its image.

The subsidiaries of Caisse des Dépôts adhere to this general framework and integrate specific measures in their own risk management policies based on the nature of their business and their business models.

Risk appetite means the level of risk of any nature that the Group or a Group entity is prepared to accept or tries to avoid in order to achieve its strategic and operational objectives. For entities governed by banking or financial regulations, their risk appetite is defined by the regulations applicable to financial institutions.

Every year, the Caisse des Dépôts Supervisory Board issues an opinion on the risk appetite levels and principles expressed in the framework documentation and risk appetite statement. For each major category of risk, qualitative principles and/or metrics are used to manage risk appetite. These metrics sometimes include thresholds and/or limits, taking into account Caisse des Dépôts' financial objectives as well as its public-interest activities and the mandates entrusted to it by the public authorities. If these thresholds or limits are exceeded, an upward reporting process is in place so that a corrective action plan can be defined for getting such metrics back below the warning levels set.

The Group's financial entities ensure that their governing bodies discuss their own risk appetite at least once every year. This risk appetite must be compatible with the Group's risk appetite as approved by the Supervisory Board. It must be approved by the entity's executive and decision-making body.

Risk appetite is based on risk maps produced annually by the Group Risk Management division. The risk mapping exercise covers three interrelated risk maps encompassing the Caisse des Dépôts Group's entire risk universe, as represented by the Group's risk taxonomy. More detailed ESG risks have been added to the taxonomy to ensure a better link with the Group's non-financial performance statement.

The risk maps chart:

- the Public Institution's financial risks;
- the Group's operational and compliance risks;
- the Group's consolidated risks.

They are submitted to the Executive Committee and the Supervisory Board.

The risk maps are a financial and operational risk management tool used to identify and evaluate the significant risks faced by the Public Institution and the Group by virtue of their structure and business.

The risks arising on the activities of Caisse des Dépôts and its subsidiaries are classified according to the following risk families in the Group's risk taxonomy, which provides a common language for the Group's financial and non-financial entities:

- strategy and governance risks;
- operational and compliance risks;
- financial risks;
- insurance risks.

2.7.2 General structure of the Group's internal control, risk management and compliance system

2.7.2.1 Applicable regulations

In accordance with article 4 of Decree No. 2020-94 of 5 February 2020, the internal and external control system of Caisse des Dépôts must include:

- controls for internal procedures and operations;
- accounting and information-processing divisions;
- systems for measuring risks and results;
- systems for monitoring and managing risks;
- a documentation and information system;
- a system for monitoring cash and securities flows.

In accordance with articles 5 and 6 of the said decree, Caisse des Dépôts must ensure that this policy is applied to the entire Group, which means:

- mobilising all the resources needed to ensure that it is respected by all companies over which it exercises exclusive or joint control within the meaning of amended Regulation No. 99-07 of the French accounting standards setter (*Comité de la réglementation comptable* – CRC) of 24 November 1999 or the IFRS standards, Decree No. 2020-94 or any other internal control provisions applicable to these companies;
- ensuring that the systems put in place by these companies are consistent between themselves so that the risks can be measured, monitored and managed at the consolidated level;
- verifying that these companies have suitable control systems and procedures for producing relevant information and data that can be used for monitoring risks at the consolidated level.

The decree makes applicable the prudential provisions, with the necessary adjustments, of Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms.

The internal control system must also comply with the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF) as well as with specific regulations applicable to the Group's different entities (in particular, the Decree of 3 November 2014 on internal control for companies in the banking sector, payment services and investment services under the supervision of the French Prudential Supervisory and Resolution Authority (*Autorité de contrôle prudentiel et de résolution* – ACPR), and the Decree of 6 January 2021 on internal control and systems for combating money laundering and the financing of terrorism and the freezing of assets and the ban on the provision or use of economic resources or funds) and to the specialised businesses (e.g. portfolio management, insurance).

2.7.2.2 Key players in the internal control and risk management system

The Chairman and Chief Executive Officer of Caisse des Dépôts is responsible for the Group's entire internal control, risk management and compliance system. The Chairman and Chief Executive Officer defines the risk management and compliance policies for the Group, as well as the internal control principles (permanent controls and periodic controls). He receives key internal control and risk management reports.

The directors of the Caisse des Dépôts Central Sector and the heads of the subsidiaries are responsible for rolling out the policies defined by the Group within their own reporting scope, in accordance with any applicable regulations specific to them.

Within these entities, line managers set up effective risk management processes within their own divisions, particularly with regard to procedures and the segregation of tasks. They ensure that their operations comply with entity-specific provisions, including the applicable law and regulations, professional standards and management instructions, applied in line with the policies defined by the Group.

At Group level, the Group Risk Management division forms the second line of defence. The entities' risk management, permanent control and compliance functions implement the risk management (including compliance risk) and permanent control systems in their subsidiaries under the authority of the heads of these entities.

The Group Risk Management division is responsible for the Group risk management system. It develops and implements the risk management framework, taking into account the risk appetite defined by the Group.

After the permanent control unit became part of the Group's Risk Management division in May 2023, the operational risk, permanent control and cyber security units were merged on 1 April 2024 to create an Operational Risk, Cyber and Control department responsible for the oversight and control procedures constituting the second line of defence against operational risks within the Group.

Its responsibilities include organising a system of permanent controls that is independent from the operating entities. The permanent control plan combines the principle of completeness of permanent controls with a risk-based approach. To that end, it is supported by the subsidiaries' permanent control teams and ensures that they correctly implement the Caisse des Dépôts Group's Permanent Control Charter.

Within the Legal Affairs, Compliance and Ethics division, the Ethics and Operational Compliance department, the Project Management and Digital Transformation department, the AML-CFT Financial Security department, the Group Summary and Coordination units and the Group Compliance and AML-CFT organisations are responsible for the system to prevent compliance risk, as defined in Decree No. 2020-94 of 5 February 2020. They monitor changes in the compliance regulations applicable to Caisse des Dépôts and how they are implemented within the Group. In addition, the Legal Affairs, Compliance and Ethics division's anti-fraud unit is responsible for defining and coordinating the Public Institution's overall anti-fraud policy, setting the Group framework and coordinating the anti-fraud organisation.

The General Inspectorate – Group Internal Audit division is responsible for periodic controls within the internal control system and works across the scope of the Public Institution and any exclusively or jointly controlled subsidiaries. It exercises a right to audit the subsidiaries and coordinates the Group's internal audit network made up of the subsidiaries' audit divisions, notably in order to coordinate actions relating to periodic controls at Group level. The General Inspectorate – Group Internal Audit division works independently, following a multi-year programme approved by the Executive Committee of Caisse des Dépôts, to which it reports on a regular basis (performance of its engagements, implementation of recommendations). The renaming of the Group Audit division as the General Inspectorate – Group Internal Audit division highlighted the division's dual role, to conduct (i) assurance (internal audit) engagements under the multi-year audit programme, and (ii) inspection engagements which have in common that they are commissioned separately from the internal audit programme by the Group's Executive Committee or Supervisory Board. Inspection engagements include:

- engagements specifically commissioned by the Executive Committee or the Supervisory Board to provide strategic guidance on sensitive issues;
- engagements commissioned following an incident, malfunction, breach of probity, etc.

2.7.2.3 Organisation

2.7.2.3.1 Permanent controls

The permanent control system covers all the activities of the divisions and subsidiaries and any other entities within their operational reporting scope, including activities deemed critical or important, within the meaning of banking and financial regulations, that have been outsourced to a service provider.

There are two levels of control: operational controls (first tier) and work by control function staff (second tier):

- the first tier consists of controls designed to ensure that all operations processed are conducted properly. They are performed by operational teams and their respective managers, who ensure that the activities for which they are responsible are properly conducted. First-tier controls are designed around the principles of segregation of functions, delegation of power and approval limits, and the accuracy and completeness of all entries and data flows processed. First-tier controls also include controls carried out by automated transaction processing systems;
- the second-tier controls are the responsibility of the Group Risk Management division and the subsidiaries' Permanent Control and Compliance Officers. This second tier contributes to the control of the compliance, security and approval of the operations carried out. It also aims to ensure that the first-tier control systems are appropriate to the risks involved and activities carried out. The controls are defined in reference to the risk maps, warning flags and events.

Caisse des Dépôts' permanent control principles are set out in the "Group Permanent Control Charter" reference document, which has been approved by the Executive Committee. The charter applies to all divisions of the Caisse des Dépôts Central Sector (the "divisions") and the entities that it controls. Permanent control is based on written procedures and formally documented control processes.

All second-tier control plans, control results, control events and corresponding action plans for the Caisse des Dépôts Central Sector are archived in a Group-wide application. The other entities have developed applications for ensuring the reliability of the internal control audit trail as well as the traceability of any events identified.

2.7.2.3.2 Risk management

The Group's entities are required to deploy risk management and prevention systems adapted to their businesses and the degree of inherent risk. These systems must comply with the principle of subsidiarity and be aligned with the Group's overall risk management framework, without prejudice to any specific provisions applicable to individual entities.

The risks of the Caisse des Dépôts subsidiaries are incorporated into the consolidated risk management system based on the different types of risk incurred and the nature of each subsidiary's business. In general terms, Caisse des Dépôts provides consolidated risk monitoring for:

- financial risks, covering the financial and real estate subsidiaries;
- non-financial risks, covering the main subsidiaries within the scope of consolidation.

Liquidity risk is managed by each of the Group entities.

Since 2022, Caisse des Dépôts has strengthened its second line of defence and its management of Group operational risks by:

- creating, within the Group Risk Management division, a dedicated unit that is an integral part of the Operational Risk, Cyber and Control department;
- structuring and coordinating a Group operational risk unit;
- revisiting its Group operational risk management policy;
- strengthening Group-wide standards and methods for operational risk mapping and incident reporting;
- structuring incident reporting systems and alerts, for the attention of the Executive Committee.

2.7.2.3.3 Periodic controls

The third line of defence is provided by periodic controls and are performed by the General Inspectorate – Group Internal Audit division and the Audit network in accordance with the action principles and methodology set out in the Caisse des Dépôts Internal Audit Charter.

At the level of the Public Institution, IGAu has exclusive responsibility for performing periodic controls, based on the work of the other assurance functions (internal and external), following an assessment of the functions' level of maturity. In particular, IGAu uses the results of second-tier controls and the information contained in the risk maps to prioritise its audits. The first and second lines of defence can themselves be the subject of internal audits. Lastly, the conclusions of audits carried out by external bodies (ACPR, Court of Audit, ECB, Statutory Auditors, etc.) are directly taken into account for the purposes of drawing up the multi-year audit programme and defining the scope of internal audit engagements.

At the level of the subsidiaries, IGAu's work complements the local audits and inspections. IGAu has determined the principles of intervention in the subsidiaries, which involves covering a series of topics. In accordance with the principle of subsidiarity set out in the Group's Internal Audit Charter, IGAu may delegate responsibility for audits covering some of these topics to the local internal auditors, under certain conditions.

2.7.2.3.4 Supervision over the Group entities

The Group Risk Management division and the Legal Affairs, Compliance and Ethics division (for compliance issues) have a dotted-line reporting relationship with their counterparts in each of the Group's entities. The Head of Legal Affairs, Compliance and Ethics is responsible for the Group's AML-CFT system and acts as the Public Institution's Ethics Officer. The Legal Affairs, Compliance and Ethics division manages and coordinates the Group's compliance organisation, including the AML-CFT function.

The entities' Risk, Permanent Control and Compliance officers report back to the Group Risk Management division on their risk management systems.

Each Group financial subsidiary deploys risk monitoring applications and processes that are adapted to its own activities and structure.

Group-level indicators are monitored by the Group Risk Management division based on information provided by the subsidiaries (risk reporting, consolidated risk profile, etc.). In addition, Caisse des Dépôts Group entities subject to AML-CFT regulations contribute to the AML-CFT reports required by the Legal Affairs, Compliance and Ethics division, deploying appropriate resources and guaranteeing the quality of the reported data, including the six-monthly AML-CFT risk exposure indicators.

Directors from Caisse des Dépôts sit on the subsidiaries' audit and risk committees and ensure, working with the Group Risk Management division, that each entity complies with all of the Group's risk management measures as stated in the Group Risk Management Charter.

2.7.2.3.5 Governance bodies and reporting

Twice a year, under the chairmanship of the Chairman and Chief Executive Officer, the Risk, Permanent Control and Compliance Committee examines the status of risk management and internal control within the Group.

The Group Risk Management division presents:

- a monthly risk summary for the Executive Committee;
- a quarterly report on the Group's risk profile for the Executive Committee and Supervisory Board, mainly to verify compliance with the risk appetite levels;
- the results of the risk mapping exercise for the Executive Committee and Supervisory Board;
- the results of permanent controls are presented in half-yearly reports, in accordance with the requirements of Decree No. 2020-94 of 5 February 2020 on the internal and external control of Caisse des Dépôts.

The Legal Affairs, Compliance and Ethics division reports regularly to the Executive Committee on AML-CFT procedures and the compliance system as a whole, in accordance with the requirements of the Decree of 5 February 2020 on the internal and external control of Caisse des Dépôts.

The General Inspectorate – Group Internal Audit division reports regularly to the Executive Committee of Caisse des Dépôts. Its multi-year audit plan is updated every year and approved in turn by the Chairman and Chief Executive Officer (presentation to the Executive Committee) and the Supervisory Board (after a presentation to the Audit and Risk Committee). In addition, it provides these same bodies with an annual report on the work of the Group's internal audit network and a progress report on the auditors' and regulators' recommendations (quarterly presentation to the Executive Committee, and half-yearly to the Supervisory Board, after review by the Audit and Risk Committee). Every year, the General Inspectorate – Group Internal Audit division also contributes to a presentation on the structure and objectives of Caisse des Dépôts' internal control system.

An annual internal control report is prepared, provided to the Supervisory Board and submitted to the French Prudential Supervisory and Resolution Authority (ACPR), in accordance with Decree No. 2020-94 of 5 February 2020.

2.7.3 Financial risks

2.7.3.1 Credit and counterparty risk

2.7.3.1.1 Definition of credit risk and scope

Credit risk is the current or prospective risk of a loss on a receivable, due to a deterioration in the borrower's credit standing that may result in an inability to meet its payments when they fall due.

Credit risk within the Caisse des Dépôts Group is managed in accordance with Chapter IV, Section 2 of Decree No. 2020-94 of 5 February 2020, and specifically article 63 which requires Caisse des Dépôts to have a credit risk selection and management procedure in order to:

- centrally identify the balance sheet and off-balance sheet risks from a single counterparty or several counterparties considered to be a single group of related customers;
- establish different risk level categories based on qualitative and quantitative information, including for daily credit risk, if significant for its activity;
- understand and manage concentration risk by means of documented policies and procedures;
- understand and manage residual risk by means of documented policies and procedures;
- ensure its commitments are adequately diversified in accordance with its credit policy.

Within the Group, credit risk mainly affects the Caisse des Dépôts Central Sector, La Banque Postale and SFIL as a result of loans and receivables portfolios and securities portfolios measured at amortised cost or at fair value through other comprehensive income.

2.7.3.1.2 Credit risk management and governance

2.7.3.1.2.1 Governance

The Executive Committee set the fundamental risk management principles (strategic guidelines, values, risk appetite, governance, umbrella Group standards), which are then approved by the Supervisory Board and used by each of the regulated entities to define its own risk management system via its own governance, and by each business line of the Caisse des Dépôts Central Sector to define its priority actions and manage the associated risks, under the supervision of the Group Risk Management division.

The regulated entities have a procedural handbook covering credit, counterparty and regulation risks. These rules and procedures are consistent with the risk appetite defined at Group level and incorporated in the risk appetite of each entity.

The entities have methods for setting limits and IT systems for monitoring compliance with these limits. The procedures include rules for dealing with breaches of these credit, counterparty and regulation risk limits, and for escalating cases where necessary.

2.7.3.1.2.2 Policies for granting and securing guarantees

The processes for examining and granting guarantees within the Group are based on formal risk selection systems specific to each customer segment or type of activity, via risk analyses, credit ratings and/or scores, delegation rules and specialist committees (regional and national commitment committees, credit committees) and limit-setting rules. In terms of investment limits, third parties are systematically scored and allocated an individual limit designed to contain the total amount of the commitment. If necessary, these individual limits are combined with "group" limits which apply to exposure from a group of third parties considered to belong to the same business grouping. Individual limits and group limits may also be combined with sector or geographical limits designed to mitigate concentration risk.

The Caisse des Dépôts Group strives to minimise its credit risk. To do so, in addition to the quality of the file and of the counterparty which are essential to decision-making, the Group's entities seek guarantees to limit their losses in the event the counterparty defaults. The nature and level of the guarantees for loans vary by customer segment:

- legal professions (Caisse des Dépôts Central Sector scope): loans are usually but not always accompanied by a guarantee, either from a guarantor institution or in the form of a mortgage or personal surety. The rules for guarantees (real, personal and mixed sureties), which vary depending on the type of commitment and client, are defined in the commitments handbook and the general scale;
- home loans (La Banque Postale scope): the general principle is that any finance must be 100% covered by a guarantee, which provides an adequate level of cover that complies with the Group's risk management policy. The main forms of cover are first-ranking mortgages, pledges of financial products (life insurance policies, securities accounts, REIT units) and guarantees from organisations authorised and approved by La Banque Postale's Guarantor Referencing Committee, which uses two main organisations in France: Crédit Logement and Fonds de cohésion sociale (FGAS);
- consumer credits (La Banque Postale scope): generally granted without guarantees or collateral;
- business loans (La Banque Postale scope): every commitment must be covered by a guarantee except where risk management rules provide otherwise. Their role is to limit La Banque Postale's loss in the event of a borrower default (LGD). The guarantees taken must comply with the risk management rules and, insofar as possible, security rights must qualify in prudential terms;
- export credit, customer loans (SFIL scope): the main providers of personal surety (guarantees) are sovereign institutions and local authorities.

Guarantees for market activities cover either the issuer risk or the counterparty risk:

- issuer risk (Caisse des Dépôts Central Sector scope): issuer, issue or transaction guarantees are recorded in the IT systems and used to calculate the credit risk exposure for the guarantors in question;
- counterparty risk: the Caisse des Dépôts Group is exposed to potential counterparty risk on its over-the-counter market transactions. The Group manages this risk through the systematic use of standard contractual arrangements requiring counterparties to put up collateral or to offset trades. For credit risk for its market activities, La Banque Postale group's standard calls for the inclusion of collateral from repo transactions as securities when the following eligibility criteria are met: sufficiently liquid asset included in the list of CRR assets (art. 194.3); right to liquidate (art. 194.4) and match between the credit quality grade (CQS) and the assessments of the external organisation (art. 197.1).

If the transactions are eligible, the Group clears the derivatives through clearing houses.

The Caisse des Dépôts Group does not use securitisation techniques to attenuate its risk exposures.

2.7.3.1.2.3 Credit risk monitoring (Watchlist and identification of non-performing exposures)

The governance and oversight of the Caisse des Dépôts Group's risks are underpinned by a group of committees, specific to the Caisse des Dépôts Central Sector and its subsidiaries, which enable them to comply – from the highest levels of responsibility down – with the applicable laws and regulations, and to ensure that all risks are managed in a healthy and independent manner. Each entity has committees for:

Risk monitoring:

- Counterparty Risk Committee or Counterparty Watchlist Committee for the Caisse des Dépôts Central Sector;
- Watchlist Committees for SFIL;
- Watchlist Committee and Group Provisions Committee for La Banque Postale.

These committees monitor any assets that require special surveillance due to a deterioration in their credit risk.

Default monitoring and identification:

- Defaulting Counterparties Committee and Provisions Committee for the Caisse des Dépôts Central Sector;
- Customer Vision Watchlist Committees and Disputes Committees for La Banque Postale;
- Defaults, NPE and Forbearance Committee and Provisions Committee for SFIL.

One of the key roles of these committees is to decide whether to apply or remove default status from borrowers, classify non-payments as a true default or technical non-payment, approve the list of counterparties with non-performing exposures and approve the list of restructured exposures.

2.7.3.1.2.4 Credit risk provisions

Impairment is calculated using IFRS 9.

Significant increase in credit risk

Group principles

The Caisse des Dépôts Group has defined seven principles for assessing a significant increase in credit risk, one of which is specific to retail customers and is applicable only to La Banque Postale.

Principle 1 – Monitoring of credit risk: in accordance with IFRS 9, credit quality is assessed from the beginning of the commitment. Credit quality is measured at each reporting date after initial recognition in order to determine the classification of the asset concerned.

A financial instrument is classified as sensitive when there has been a significant deterioration in credit quality since initial recognition (comparison of the asset's credit quality versus when it was first recorded in the balance sheet or recognised as an off-balance sheet commitment).

Principle 2 – Rating indicator to monitor credit quality: the Group monitors the credit risk of each contract using a system for rating the credit quality of the counterparty. The rating of a contract at a given time is determined on the basis of the counterparty's rating at that time.

The Group's entities have a rating system derived from the internal rating models used to manage and monitor risks.

If no internal or external rating is available for a given customer and the related exposure, other methods are used to assess whether there has been a significant increase in credit risk since inception. For portfolios that do have an internal or external rating, assessment of a possible significant increase in credit risk is based on the rating, supplemented where appropriate by quantitative and/or qualitative analyses by the entity's Risk Management division.

Principle 3 – Monitoring of credit quality with the addition of a backstop: to supplement Principle 1, the Group's entities may use an absolute threshold criterion based on payments that are more than 30 days past due. In accordance with IFRS 9, payments more than 30 days past due are considered as an indicator of a significant increase in the credit risk as they point to a decline in credit quality. La Banque Postale and SFIL also use a rating indicator to take into consideration an absolute quality level beyond which there is considered to be a significant increase in the assets' credit risk. The level is set by customer segment and/or type of asset.

Principle 4 – Use by La Banque Postale of a 12-month indicator for retail customers: assessment of a significant increase in credit risk, which involves assessing at each reporting date the probability of a default occurring over the remaining life of the asset. Rather than basing the assessment on the lifetime probability of default, IFRS 9 allows the use of a 12-month probability of default if this is a reasonable approximation of the lifetime probability and supported by adequate documentation.

Principle 5 – Application of the low credit risk exemption: IFRS 9 allows entities to assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the instrument is determined to have low credit risk at the reporting date. A financial instrument is considered to represent a low credit risk when there has been no significant increase in its credit risk since initial recognition. "Low credit risk" can be equivalent to a widely accepted definition such as "investment grade", which according to the CRR scale would correspond to a rating below or equal to 3.

Principle 6 – Consideration of qualitative information: for the Group's portfolios, excluding La Banque Postale retail customers, the presumption of a transfer to Stage 2 may be subject to a specific qualitative analysis by the Watchlist or Monitoring Committee to confirm or reject the assessment that a significant increase in credit risk has occurred.

Principle 7 – Transfer to Stage 2 before default: wherever possible, assets exposed to a significant increase in credit risk are identified before they default. Exceptionally, some commitments can be exempted from being reclassified to Stage 2 before they are recorded in default.

Process for assessing a significant increase in credit risk

The operational procedures in place enable events indicating a possible deterioration in the credit quality of a counterparty to be monitored/detected.

The criteria for classifying a commitment in Stage 2 are described by category of exposure:

- customer portfolios (Caisse des Dépôts Central Sector scope);
- sovereign debt and equivalent, central administrations and central banks;
- financial institutions, credit institutions;
- corporate debt;
- corporates (La Banque Postale scope);
- retail customers – individuals (La Banque Postale scope);
- retail customers – businesses (La Banque Postale scope);
- public sector entities (La Banque Postale and SFIL scope).

The main criteria used to place the contracts of a counterparty in Stage 2 if not yet eligible for Stage 3 are as follows:

- counterparty placed on the Watchlist by an Asset Monitoring Committee due to a deterioration in credit risk or placed in forbearance following a concession made by the entity in question to a counterparty in financial difficulty;
- counterparty with instalments that are between thirty-one and eighty-nine days past due;
- counterparty whose rating falls below the absolute level considered to be representative of a severely weakened situation.

These criteria do not represent an exhaustive list and the relevance of the information depends on the category of exposure concerned. Other events leading to a deterioration in credit quality or generating risk can be taken into account following an analysis by the Risk Management division of the entity concerned, in conjunction with the operating divisions responsible for monitoring their customers.

The operating divisions are responsible for the exposures they have generated and must detect immediately any events that indicate a deterioration in the credit quality of their customers.

All assets that are not in Stage 3 or Stage 2 are classified in Stage 1. These are assets that show no significant increase in credit risk since initial recognition.

An asset moved to Stage 2 following a significant increase in credit risk may be moved out of Stage 2 and reclassified in Stage 1 if all the criteria that led to this classification are no longer met and any arrears have been settled. Depending on the circumstances, an observation period (the exact duration of which is to be defined by the entities in accordance with their own procedures) may be required for vulnerable debtors to prevent recurrence.

Credit-impaired loans in Stage 3

IFRS 9 does not provide any definition of default, but it encourages the use of a definition that is consistent with the one used by the entity for the purpose of its risk management policy. The Group applies the definition of default set by article 178 of Regulation (EU) No. 575/2013 and the provisions of Regulation (EU) No. 2018/1845 of the European Central Bank in relation to the threshold for assessing the materiality of credit obligations past due. The definition of defaulted loans is therefore clarified by the introduction of a relative threshold and an absolute threshold to be applied to payments past due for the purpose of identifying situations of default, by clarifying the criteria for reclassifying loans as performing after a probationary period, and introducing explicit criteria for classifying restructured loans as defaulted loans.

In addition to identifying defaulted loans on the basis of regulatory criteria applicable to payments past due, a financial asset is considered to be credit-impaired when one or several credit events have occurred that are indicative of financial difficulties:

- risk of non-payment (unlikely to pay): it is unlikely that the counterparty will pay all or part of its debt without recourse to actions such as realising security;
- the loan is considered high-risk under the Group's risk management policy;
- an application for relief from excessive levels of consumer debt has been made to the Banque de France, even if no payment incident has occurred (La Banque Postale scope);
- etc.

Removal from "default" status is subject to a probationary period, which may be no shorter than the period defined by the applicable regulations.

Impairment – methodological approach – expected credit losses (ECLs)

Expected credit losses

Expected credit losses (ECLs) are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money and all available information.

12-month expected credit loss ($ECL_{12\ months}$)

At each reporting date, when there is no significant increase in the credit risk associated with a commitment since initial recognition, the provision is measured at an amount equal to the 12-month expected credit loss.

$ECL_{12\ months}$ represents the portion of the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date.

This formula applies to all commitments classified in Stage 1.

Lifetime expected credit loss ($ECL_{lifetime}$):

At each reporting date, when there is a significant increase in credit risk associated with a commitment since initial recognition, the provision is measured at an amount equal to the lifetime expected credit loss.

This formula applies to all commitments in Stages 2 or 3.

Definition of ECL calculation parameters

Expected credit losses are calculated using three main components: probability of default (PD), loss given default (LGD) and exposure at default (EAD). For contracts in Stage 2, the maturity of the exposure must also be taken into account.

Probability of default (PD): IFRS 9 introduces the notion of expected credit losses and, indirectly, that of the probability of default adjusted to the situation at the reporting date (point-in-time probability of default – PiT PD). This parameter does not correspond to the average over the cycle (through-the-cycle probability of default – TTC PD) applicable under the Basel framework for the internal ratings-based approach. This variable is used to estimate the probability that a commitment will go into default over a given period of time. A PiT PD estimate is based on future and current assessments and depends on the counterparty category.

PiT PD is used for all the Group’s portfolios, excluding the Caisse des Dépôts Central Sector’s customer portfolios, which are subject to specific treatment, based on the historical average of defaults.

Loss given default (LGD): the ratio between contractual and expected cash flows taking into account the effects of discounting and other expenses incurred at the time that an instrument goes into default. LGD is expressed as a percentage of exposure at default.

This input under IFRS 9 differs from the Basel definition. For Basel II purposes, loss given default is adjusted to include a prudential buffer and to reflect losses occurring during a downturn in the business cycle and other effects.

As the Caisse des Dépôts Central Sector’s portfolios do not have internal loss given default models, LGD is established by experts, based either on observed historical collections (customer portfolios) or on the levels generally used under the Basel standard (securities portfolios).

La Banque Postale has opted to use modelled LGDs adjusted in accordance with IFRS 9 for portfolios that have a loss given default model by type of product and guarantee, and to determine an LGD based on expert analyses for the other portfolios by segment, product and type of guarantee. SFIL uses modelled LGDs within the prudential framework, with adjustments to take into account IFRS 9 rules. This approach is applied to all significant portfolios, especially local authorities and unions with their own tax rules.

Exposure at default (EAD): the basis for calculating the expected credit loss. It is based on the value exposed to credit risk taking into account the type of repayment schedule, the passage of time and expected early repayments (projected cash flows).

The loss allowance is based on the outstanding amount recorded on-balance sheet and off-balance sheet (undrawn portion) converted to its credit exposure equivalent using the credit conversion factor (CCF).

Maturity refers to the final payment date for a loan commitment or a financial instrument on which the principal and interest must be settled in full or the date when the authorised amount or authorisation period expires.

It corresponds to the maximum contractual period including extension options, except in the case of revolving lines of credit, renewable credit card facilities and overdrafts for which a behaviour-based maturity is to be used (La Banque Postale scope).

For commitments within the scope of La Banque Postale without a contractual maturity, a 12-month maximum maturity is used as, in the case of insolvency of the debtor, the overdraft facility is cancelled within 12 months, in accordance with French banking law. Revolving lines of credit are financial instruments that do not have a fixed maturity, repayment schedule or cancellation period. The maturity taken into account for these instruments depends on their lifetime estimated by La Banque Postale, which can be greater than the duration of the contractual commitment. The maturity used is based on observed behaviours.

Forward looking

In accordance with IFRS 9, expected credit losses take into account the effects of future economic conditions through the use of forward-looking data models and informed judgement. Macroeconomic rules apply to all the entities of the Caisse des Dépôts Group, but each entity is responsible for rolling them out to each of their exposure segments in order to reflect the future risk as accurately as possible. Some segments require the Group scenarios to be supplemented with *ad hoc* variables due to their specific nature, such as SFIL for its exposure to French local authorities, for which the forward-looking models used are designed to forecast the main variables likely to affect local authorities’ accounts (tax bases, State payments, investment trends, etc.).

The macroeconomic framework used within the Group is based on four scenarios: a central scenario, two adverse scenarios (the use of which is at Group entities’ discretion) and an upside scenario. They are defined by the Economic Research departments at Caisse des Dépôts and La Banque Postale. Five-year economic projections are used, with the following principles:

- consistent global scenarios are applied across all exposure segments with potentially opposite impacts on certain counterparty segments, to reflect the diversification of the portfolio;
- the proposed scenarios are not stress scenarios; the aim is not to use IFRS 9 scenarios to quantify the risk of losses in a highly adverse environment that are very unlikely to occur in light of the prevailing macroeconomic situation at the estimation date, but rather to develop generally plausible scenarios whose probability of occurrence is within one standard deviation of the occurrence of the central scenario;
- the scenarios used are generally the same as those used in other corporate processes (multi-annual financial planning process, etc.) to ensure a high degree of overall consistency in financial management and strong consolidation capabilities at the Group level.

These scenarios are documented and contain projections for all the macroeconomic variables needed to run the models developed to obtain lifetime PDs.

The system uses a significant number of models, allowing each Group entity to assess as accurately as possible the risks specific to its portfolios. All of the models used for IFRS 9 purposes are subject to an independent review by the Model Validation team of the entity concerned and are formally validated (Model Validation Committee, Audit division, etc.) before use.

For 2024, the Caisse des Dépôts Group used the following scenarios to calculate impairment under IFRS 9:

Central scenario

The central growth scenario includes growth of 1.1% as of end-2024, corresponding to the initial trajectory of 0.7% increased by 0.4 points to reflect statistical revisions to the 2023 quarterly profile published by France's national statistics office, INSEE. The scenario takes into account recent and future international political and geopolitical uncertainties (such as the US elections). These uncertainties, particularly concerning the government budget and evolving social climate in France, erode the confidence level and the growth rate has been conservatively estimated at 1.0% for 2025, down 0.1 pt on the first quarter 2024 forecast and slightly below the market consensus of 1.1/1.2%.

Inflation has eased at a slightly faster rate than expected since the start of the year and although there are still points of concern (inflation inertia in services, high energy price baseline, political and geopolitical uncertainties), it is estimated that total annual average inflation in 2024 was lower than expected in the last forecast (made in the first quarter of 2024), at 2.1% vs. 2.5%. For 2025, uncertainty is very high at this stage; the forecast has also been revised downwards, to an annual average of 1.8% vs. 2.2% in the previous forecast.

As far as interest rates are concerned, the assumption that rates would be cut in 2024 was confirmed. The expectation was that the deposit rate would fall back to 3.25% by the end of 2024. The forecast equilibrium interest rate was revised upwards by 25 bps in the wake of the Fed's faster-than-expected rate cuts and the SMA's latest guidelines based on an overall return to a savings-investment balance. On this basis, the long-term deposit rate is forecast to stand at 2.25% (vs. 2.0% previously). In the short term, the forces keeping the ten-year OAT rate at around 3% are expected to remain strong, particularly given the pressure on France's specific risk premium. The forecast ten-year OAT rate has been revised slightly upwards compared with the February forecast. In the longer term, the decision to raise the equilibrium rate for previous forecasting exercises remains appropriate, particularly given that inflation and short-term interest rates are structurally higher than in the past. The updated forecast includes a further increase in the long-term equilibrium rate, from 2.5% to 2.9%, also due to expectations of a sustained rise in the France's risk premium in view of the continuing deterioration in public finances.

This scenario and the projections for its main metrics are presented below:

Central scenario variables	2025	2026	2027	2028	2029
French GDP	1.0	1.0	1.0	1.0	1.0
Unemployment rate (mainland France)	7.4	7.5	7.5	7.5	7.5
10-year OAT	3.0	2.9	2.9	2.9	2.9
US inflation	2.3	2.2	2.2	2.2	2.2
US GDP	1.8	1.8	1.8	1.7	1.7
Eurozone GDP	1.1	1.1	1.1	1.0	1.0
Brent price in EUR	65.0	62.6	61.1	60.0	59.1
Brent price in USD	73.5	71.4	70.3	69.6	69.2
Brent price in USD (LBP metric)	72.3	70.8	69.8	69.1	68.2
Eurozone investment grade (BBB) corporate spread in basis points	115	115	110	110	110
US unemployment rate	4.4	4.3	4.2	4.2	4.2
Eurozone unemployment rate	6.6	6.6	6.6	6.6	6.6
Eurozone unemployment rate (LBP metric)	6.7	6.7	6.7	6.7	6.7
Key deposit rate (eurozone)	2.50	2.25	2.25	2.25	2.25
Key rate (US)	3.50	3.00	2.75	2.75	2.75

Central scenario Y-1	2024	2025	2026	2027	2028
French GDP	0.7	1.1	1.1	1.0	1.0
Unemployment rate (mainland France)	7.3	7.5	7.5	7.5	7.5
10-year OAT	2.9	2.8	2.7	2.6	2.5
US inflation	2.7	2.4	2.3	2.2	2.2
US GDP	0.8	1.7	1.8	1.8	1.7
Eurozone GDP	0.6	1.1	1.1	1.1	1.0
Brent price in EUR	76.4	71.4	67.5	63.7	61.2
Brent price in USD	83.3	78.6	75.0	72.0	69.7
Brent price in USD (LBP metric)	85.5	80.4	76.4	73.1	70.6
Eurozone investment grade (BBB) corporate spread in basis points	130	130	125	115	110
US unemployment rate	4.3	4.3	4.2	4.2	4.2
Eurozone unemployment rate	6.8	6.8	6.7	6.7	6.7
Key deposit rate (eurozone)	3.5	2.75	2.0	2.0	2.0
Key rate (US)	5.0	4.0	3.0	2.5	2.5

Downside and upside scenarios

- **Downside scenario based on an L-shaped recovery:** the downside scenario based on an L-shaped recovery is designed to stress the Group's financial activities. It includes a recessionary shock to GDP (health, geopolitical, financial or economic crisis), with a sharp fall in stock markets and interest rates in the year of the shock. Global potential growth is weakened after the crisis for an extended period, curbing economic recovery, such that the rally in equity markets would be limited and interest rates would remain structurally low. The projections for the main metrics in this scenario are presented below. La Banque Postale does not use this scenario.

L-shaped scenario variables	2025	2026	2027	2028	2029
French GDP	-1.5	0.0	0.5	0.6	0.6
Unemployment rate (mainland France)	8.5	9.2	9.4	9.5	9.5
10-year OAT	0.00	0.00	0.00	0.00	0.00
US inflation	1.7	1.4	1.0	0.8	0.8
US GDP	-1.2	0.0	1.0	1.0	1.0
Eurozone GDP	-2.0	-0.2	0.5	0.5	0.5
Brent price in EUR	38.3	30.6	30.6	30.6	30.6
Brent price in USD	42.2	33.8	33.8	33.8	33.8
Eurozone investment grade (BBB) corporate spread in basis points	250	150	100	100	100
US unemployment rate	5.6	6.3	6.6	6.8	6.8
Eurozone unemployment rate	8.5	9.3	9.6	9.7	9.7
Key deposit rate (eurozone)	-0.50	-0.50	-0.50	-0.50	-0.50
Key rate (US)	0.25	0.25	0.25	0.25	0.25

L-shaped scenario Y-1	2024	2025	2026	2027	2028
French GDP	(1.5)	0.0	0.5	0.6	0.6
Unemployment rate (mainland France)	8.3	8.9	9.2	9.3	9.3
10-year OAT	0.0	0.0	0.0	0.0	0.0
US inflation	2.2	1.7	1.3	0.8	0.8
US GDP	(1.2)	0.0	1.0	1.0	1.0
Eurozone GDP	(2.0)	(0.2)	0.5	0.5	0.5
Brent price in EUR	41.3	33.0	33.0	33.0	33.0
Brent price in USD	45.4	36.3	36.3	36.3	36.3
Eurozone investment grade (BBB) corporate spread in basis points	250	150	100	100	100
US unemployment rate	5.7	6.4	6.7	6.9	6.9
Eurozone unemployment rate	8.6	9.4	9.7	9.8	9.8
Key deposit rate (eurozone)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Key rate (US)	0.25	0.25	0.25	0.25	0.25

- **This downside scenario** combining a steep fall in the bond market and an inflationary shock includes, for the year of the shock, new pressure on commodity prices due to geopolitical tensions, leading to severe recessionary pressures on global GDP. A persistent spiral of price and wage increases would take hold in the eurozone, leading to a rise in core inflation, with headline inflation remaining above central bank targets. The central banks would respond by setting their key rates above neutral, without managing to stabilise price momentum, leading to very high bond yields. Under this scenario, the ecological transformation would be more disorganised than under the central scenario, contributing to pressure on prices and interest rates, and a loss of potential growth in the medium term (loss of productivity).

The scenario and the projections for its main metrics are presented below:

Bond crash scenario variables	2025	2026	2027	2028	2029
French GDP	-1.5	0.0	0.5	0.6	0.6
Unemployment rate (mainland France)	8.5	9.2	9.4	9.5	9.5
10-year OAT	5.5	5.5	5.5	5.5	5.5
10-year OAT (LBP metric)	5.00	5.5	5.5	5.5	5.5
US inflation	4.5	3.8	3.5	3.5	3.5
US GDP	0.0	1.0	1.2	1.3	1.3
Eurozone GDP	-1.7	0.0	0.5	0.5	0.5
Brent price in EUR	95.0	109.2	109.2	109.2	109.2
Brent price in USD	99.7	114.7	114.7	114.7	114.7
Brent price in USD (LBP metric)	89.9	109.1	114.7	114.7	114.7
Eurozone investment grade (BBB) corporate spread in basis points	300	300	300	300	300
US unemployment rate	5.1	6.1	7.1	8.1	9.1
Eurozone unemployment rate	8.3	9.1	9.4	9.5	9.5
Key deposit rate (eurozone)	4.00	4.00	4.00	4.00	4.00
Key rate (US)	6.00	6.00	6.00	6.00	6.00

Bond crash scenario Y-1	2024	2025	2026	2027	2028
French GDP	(1.5)	0.0	0.5	0.6	0.6
Unemployment rate (mainland France)	8.3	8.9	9.2	9.3	9.3
10-year OAT	5.5	5.5	5.5	5.5	5.5
10-year OAT (LBP metric)	4.56	5.5	5.5	5.5	5.5
US inflation	4.8	3.7	3.2	3.0	3.0
US GDP	0.0	1.0	1.2	1.3	1.3
Eurozone GDP	(1.7)	0.0	0.5	0.5	0.5
Brent price in EUR	102.3	117.6	117.6	117.6	117.6
Brent price in USD	107.4	123.5	123.5	123.5	123.5
Brent price in USD (LBP metric)	98.1	117.5	123.5	123.5	123.5
Eurozone investment grade (BBB) corporate spread in basis points	300	300	300	300	300
US unemployment rate	5.2	5.5	5.6	5.7	5.7
Eurozone unemployment rate	8.4	9.2	9.5	9.6	9.6
Key deposit rate (eurozone)	4.0	4.0	4.0	4.0	4.0
Key rate (US)	6.0	6.0	6.0	6.0	6.0

- **Upside scenario**: this scenario assumes that inflation eases slightly faster and more discernibly than under the central scenario. This would allow consumer spending to recover a little more strongly (with a slightly faster fall in the savings rate), helping to drive economic growth. Against this backdrop, corporate capital investment and the job market should both prove resilient. The central banks would cautiously increase the pace of interest rate cuts, with a temporary impact on long-term rates but no effect on medium-term target rates. This would create a positive environment for stock markets. The landings would be the same as under the central scenario.

Upside scenario variables	2025	2026	2027	2028	2029
French GDP	1.5	1.5	1.3	1.1	1.0
Unemployment rate (mainland France)	7.4	7.2	7.1	7.1	7.1
Unemployment rate (mainland France) (LBP metric)	7.3	7.1	7.0	7.0	6.9
10-year OAT	2.71	2.54	2.50	2.50	2.50
10-year OAT (LBP metric)	3.0	2.9	2.9	2.9	2.9
US inflation	2.2	2.3	2.4	2.4	2.4
US GDP	2.0	2.1	2.0	1.8	1.7
Eurozone GDP	1.5	1.6	1.3	1.2	1.0
Brent price in EUR	63.4	61.4	60.5	59.1	57.7
Brent price in USD	71.0	70.0	69.6	69.2	68.7
Brent price in USD (LBP metric)	71.9	70.4	69.8	69.1	68.2
Eurozone investment grade (BBB) corporate spread in basis points	122	118	114	110	110
US unemployment rate	4.1	3.9	3.7	3.6	3.5
Eurozone unemployment rate	6.7	6.4	6.3	6.2	6.2
Eurozone unemployment rate (LBP metric)	6.5	6.4	6.3	6.2	6.2
Key deposit rate (eurozone)	2.25	2.00	2.00	2.00	2.00
Key rate (US)	3.50	3.00	2.50	2.50	2.50

Upside scenario Y-1	2024	2025	2026	2027	2028
French GDP	1.5	1.5	1.3	1.2	1.1
Unemployment rate (mainland France)	7.2	7.2	7.1	7.0	7.0
10-year OAT	2.7	2.5	2.5	2.5	2.5
US inflation	2.2	2.3	2.4	2.3	2.3
US GDP	1.2	2.0	1.8	1.8	1.7
Eurozone GDP	1.6	1.6	1.3	1.2	1.1
Brent price in EUR	63.1	63.4	61.9	59.9	58.0
Brent price in USD	70.0	71.0	70.0	68.3	66.7
Brent price in USD (LBP metric)	74.7	70.6	70.4	68.9	67.3
Eurozone investment grade (BBB) corporate spread in basis points	135	132	130	120	110
US unemployment rate	4.7	4.4	4.2	4.0	4.0
Eurozone unemployment rate	6.9	6.7	6.6	6.5	6.5
Key deposit rate (eurozone)	2.75	2.25	2.00	2.00	2.00
Key rate (US)	4.25	3.25	3.00	2.50	2.50

SFIL scenarios

Based on the Group scenarios, SFIL uses scenarios that are specifically adapted to the local authorities sector, designed to forecast the macroeconomic impacts and decisions taken in the French Finance Acts on changes in tax receipts, income from services and other revenue, French State payments and planned investment expenditure. It uses three scenarios:

- a central scenario whereby operating income for local authorities increases slightly faster than operating expense, leading to a significant rise in gross and net savings;
- an upside scenario which differs from the central scenario through more favourable macroeconomic assumptions (changes in GDP, inflation and unemployment), personnel costs that are not as closely linked to GDP and a greater increase in State payments;
- a downside scenario with less favourable macroeconomic assumptions (changes in GDP, inflation and unemployment), a freeze on State payments, no change in volume of personnel costs and general expenses despite a fall in GDP and a faster rise in recovery expenditure.

Changes in the macroeconomic indicators corresponding to these three scenarios are presented below:

	Central scenario		
Central scenario variables[1]	**2024**	2025	2026
Inflation	**2.7**	2.3	2.1
GDP growth	**0.7**	1.1	1.1
Unemployment	**7.3**	7.5	7.5
Local Public Sector interest rate[2]	**2.2**	2.2	2.3
10-year OAT	**2.9**	2.8	2.7

(1) The forward-looking scenarios used in 2024 were developed on the basis of the Group's macroeconomic assumptions available in September 2023.
(2) Calculation based on the 10-year OAT.

	Upside scenario		
Upside scenario variables[1]	**2024**	2025	2026
Inflation	**2.3**	2.0	2.0
GDP growth	**1.5**	1.5	1.3
Unemployment	**7.2**	7.2	7.1
Local Public Sector interest rate[2]	**2.1**	2.0	2.1
10-year OAT	**2.7**	2.5	2.5

(1) The forward-looking scenarios used in 2024 were developed on the basis of the Group's macroeconomic assumptions available in September 2023.
(2) Calculation based on the 10-year OAT.

	Worst-case scenario		
Downside scenario variables[1]	**2024**	2025	2026
Inflation	**5.8**	4.2	3.7
GDP growth	**(1.5)**	0.0	0.5
Unemployment	**8.3**	8.9	9.2
Local Public Sector interest rate[2]	**3.0**	3.2	3.5
10-year OAT	**5.5**	5.5	5.5

(1) The forward-looking scenarios used in 2024 were developed on the basis of the Group's macroeconomic assumptions available in September 2023.
(2) Calculation based on the 10-year OAT.

Summary of scenarios used by Group entities

The probability of occurrence for each of the scenarios used by the Group's entities is summarised in the table below: The weighting of SFIL's scenarios in the table concerns the SPL France portfolio, which represents the majority of the loan book:

	2025-2029			2024-2028 (Y-1)		
Scenarios	Caisse des Dépôts Central Sector	La Banque Postale	SFIL[1]	Caisse des Dépôts Central Sector	La Banque Postale	SFIL[1]
Central	60%	60%	N/A	65%	60%	N/A
L-shaped alternative	5%	N/A	N/A	5%	N/A	N/A
Bond crash	20%	30%	N/A	15%	30%	N/A
Upside	15%	10%	N/A	15%	10%	N/A
Central (SFIL)	N/A	N/A	55%	N/A	N/A	60%
Downside (SFIL)	N/A	N/A	30%	N/A	N/A	25%
Upside (SFIL)	N/A	N/A	15%	N/A	N/A	15%

(1) SFIL's forward-looking scenarios apply to French local authorities (excluding public hospitals), which account for the majority of outstanding amounts, but also to the banks and sovereign issuers in their portfolios.

Use of the new macroeconomic scenarios and their new weighting resulted in a very slight, non-material increase in the probability of default for the majority of segments within the Caisse des Dépôts Central Sector. Ultimately, there is a very moderate impact on ECLs, with changes being also due to fluctuations in exposure at default (EAD) and modifications in individual profiles (ratings, change in buckets, or Stages).

Change in credit risk

In 2024, the risk management divisions of the Caisse des Dépôts Group entities continued their work to determine a cost of risk reflecting the actual risk on their customer loan and debt security portfolios.

Their work consisted of applying the current procedures for identifying significant deteriorations in risk (IFRS 9 Stage classification rules) and performing specific assessments of the potential impacts of changes in the macroeconomic environment (inflation, interest rate hikes, growth, etc.).

Based on this work, the impacts on the credit risk assessment for the Caisse des Dépôts Group can be divided into two major categories:

- the general impact of updating macroeconomic scenarios and incorporating them into the associated statistical provision models;
- individual or industry-specific impacts, determined based on an analytical review of customer and securities portfolios.

The impact of climate risks on the ECLs of the Caisse des Dépôts Central Sector is mainly captured through the rating systems used, in particular the rating adjustment (“override”) capabilities designed to take into account the transition and/or physical vulnerability risks to which counterparties are exposed. This case-by-case approach is validated during the rating reviews.

SFIL also includes the impact of expenses related to the implementation of France’s national low-carbon strategy and to measures aimed at mitigating climate change physical risks in their IFRS 9 forward-looking scenario for their “municipalities and inter-municipal associations with their own tax status” portfolio.

In 2024, La Banque Postale added climate risks to the risks covered by provisions. While the general dimension was already reflected in the downside scenarios, a specific dimension was added for the Retail Banking business’s home loan portfolios and for corporate loans.

In addition to existing sector-specific provisions, climate risk provisions are now defined for the two main portfolios:

- Corporate portfolio: provisions for transition risk based primarily on the estimated impact of higher carbon prices on the counterparties’ solvency;
- Retail home loan portfolio: provisions for physical flood risk and the impact this may have on expected recoveries of loans subject to legal collection procedures.

Incorporating climate risks into the cost of risk is based on two complementary dimensions:

- General dimension

  This dimension is an integral part of the development of macroeconomic scenarios for emerging risks in the broadest sense (climate, geopolitical, etc.). As the core dimension cutting across the entire economy, it enables account to be taken of the impacts of transition risks on the macroeconomic indicators that affect the solvency of economic actors. It is therefore a systemic dimension which cannot be considered separately from other macroeconomic factors such as inflation, interest rate trends, geopolitical crises, etc., and consequently applies to all economic actors;
- Specific dimension

  This is the dimension that is specific to each customer segment and customer business. It enables account to be taken of the sensitivity to climate risks of each segment or customer. The specific dimension is determined in addition to the general dimension and can be applied at different levels depending on the risks being estimated (at the level of counterparties, business sectors, products, etc.).

Calculating the provisions is a complex task which, in some cases, requires the creation of databases for the reporting of observed climate hazards, in order to integrate this component in the Expected Credit Loss (ECL) calculation.

As regards the general measures for adjusting statistical provisions, the probability of default models used when calculating the IFRS 9 provisions took full account of the likely developments in key economic indicators, and all models were recalibrated in order to incorporate the new macroeconomic scenarios described above.

Customer portfolios

The sharp interest rate hikes decided by the central banks to combat inflation led to a paradigm shift, with financing issues returning to the fore.

While the Caisse des Dépôts Group does not expect a massive deterioration in the risk profile of its customer portfolios, but rather a return to long-term average loss ratios, the development of non-performing exposures needs to be closely monitored.

There were no major changes in the quality of La Banque Postale's retail credit portfolio in 2024. Nevertheless, the gradual decline in credit quality observed since the end of 2022 continued, after the favourable post-Covid recovery period, as the market emerged from a period of high inflation. The decline was fairly limited for home loans, but showed signs of accelerating after the summer for consumer finance. The leading indicators were pointing to an increase in retail credit risk in the second half of the year; however, the risk remained under control during that period and the indicators were still more favourable than in the pre-Covid period.

The gradual deterioration in credit risk continued in the corporate lending segment, with an increase in loans on the Watchlist or subject to special measures. The main indicator of declining credit quality was the transfer to the Watchlist or to special measures of several real estate loans. Increases in sector-specific provisions in the second half of 2023 absorbed the expected growing exposure to credit risks in the real estate sector. The Bank's major exposures stabilised (its exposure to Casino was reduced, and emeis complied with the requirements applicable during its probationary period).

- **Retail customers (La Banque Postale scope)**

The Corporate and Investment Banking cost of risk amounted to €99 million in 2024 (including professional customers).

With regard to retail customers, La Banque Postale adopted a preventive approach to the determination of general provisions, which were booked mainly for customers likely to have experienced a fall in purchasing power (based on a narrower scope) and victims of recent climate events (Mayotte):

- the decision was made to exclude from general provisions for purchasing power risk those customers with a home loan but no other credit from the group. However, this decision was not extended to customers with a consumer loan;
- a new surveillance measure was introduced for customers living in Mayotte.

As these measures were adopted in anticipation of a significant deterioration in credit risk, the exposures were downgraded to Stage 2 (without necessarily leading to significant provisions due to the low LGD levels), in line with the method applied by the Group since 2019. The significant variations in Stage 2 exposures that can result from these measures do not necessarily reflect an observed deterioration in the credit quality of La Banque Postale group's retail portfolio, but rather a measure of prudence as in the cases described above. The above provisions are intended to be released gradually as the loans are paid down and in line with changes to the Bank's models.

- **Corporate customers (La Banque Postale scope)**

2024 cost of risk for corporate and investment banking customers results from:

- La Banque Postale's exposure monitoring process based on specific provisioning decisions made by dedicated committees for outstanding loans under surveillance (included on the Watchlist and/or credit impaired loans classified in Stage 2 and defaulted loans classified in Stage 3 under IFRS 9);
- application of sector-specific or other general loss provisioning principles;
- statistical provisions recorded on the rest of the performing loan book not subject to individual or collective provisions.

For corporate customers, in addition to individual Watchlist decisions and adjustments to statistical parameters, the following provisioning measures were applied at 31 December 2024:

- sector-specific measures were maintained for the retail, automotive, commercial property and agricultural sectors, taking account of changes in the portfolios;
- reviews were performed of provisions for leveraged transactions (as defined in European Banking Authority guidelines), including LBOs, which had been subject to a ratings downgrade and were highly leveraged, in order to anticipate possible inflation-related cash flow difficulties;
- provisioning measures were maintained for government-backed loans (PGE);
- lastly, provisions were also set aside for climate-related transition risks.

As for retail customer exposures, the related exposures were reclassified to Stage 2 because La Banque Postale considered that they constituted lifetime credit losses due to a significant deterioration in credit risk since they were added to the loan book.

In 2024, the Corporate and Investment Banking cost of risk amounted to €132 million for LBP.

- **Legal professions** (Caisse des Dépôts Central Sector scope): expected credit losses in Stage 2 were once again not material (€3 million) for this customer segment, which historically has a very low loss ratio. Activity reported by notaries is closely correlated to housing market transactions, which continued to decline in 2023 and first-half 2024. This trend was in line with expectations, given the inflationary pressures and the rising mortgage rates. Nonetheless, the demographic impact combined with the interest rate trajectory enabled the market to achieve a soft landing in the second half of 2024 and a moderate recovery may be on the cards for 2025.
- **French local authorities (SFIL scope):** in January 2025, the Directorate General for Public Finances (DGFIP) published its provisional report on the monitoring of local authority accounts in 2024. In this report, the DGFIP noted a general erosion of local authority reserves, albeit at very different rates. The declines in the reserves held by municipal authorities (down 5.5%), inter-municipal authorities that have their own tax system (down 3.5%) and regional authorities (down 5.9%) were all more or less in the same ballpark. By contrast, the reserves held by the départements fell by a very steep 49.3% to a barely positive net amount of €147 million at 31 December 2024, compared with €8.4 billion at end-2022.

  Local authorities in all these groups also experienced a sharp fall in their cash balances, led by the regions which reported net cash down 67% vs. end-2023, to €283 million, compared with €1.6 billion at end-2022. The départements' deposits in accounts with the French Treasury were down by a significant 28% compared with 2023, and the municipal authorities' deposits were some 7% lower.

  Despite a sharp rise in activity, public healthcare institutions' finances continued to deteriorate in 2024, due to the effects of inflation and salary increases.
- **Cruise sector (export credit, SFIL scope):** the upturn in the cruise sector seen in 2023 was confirmed in 2024 and the financial position of cruise operators continued to improve. Exposure to the cruise segment is 100% guaranteed by BPI Assurances Expert in the name and on behalf of the French government, for both the principal and interest. At 31 December 2024, all exposures in the cruise sector were removed from the Watchlist.

Securities portfolios (Caisse des Dépôts Central Sector scope)

The cost of credit risk for 2024 reflected:

- the portfolio exposure oversight procedure;
- specific decisions to downgrade internal ratings or include exposures on the Watchlist (resulting in classification in Stage 2) following reviews of financial analyses;
- the update of the macroeconomic scenarios in 2024 (see forward-looking inputs), which enabled the probabilities of default to be adapted to the reality of the cycle.

Reviews carried out in 2024 showed that the portfolio's counterparties were extremely resilient.

Thanks to the overall resilience of internal bond issuer ratings, the breakdown of counterparties between Stage 1 and Stage 2 did not change significantly over the year; at 31 December 2024, ECLs in Stage 2 were stable at €2 million.

Changes in management practices

The Caisse des Dépôts Group generally left its management procedures and rules for both commitment decisions and portfolio monitoring unchanged.

For the Caisse des Dépôts Central Sector and SFIL, no material changes or adjustments were made to the rating or provisioning models, and no changes were made to the back-testing procedures used in the ongoing assessment of the models' robustness.

In 2024, La Banque Postale group's Risk Management division incorporated into the provisioning process the various adjustments mentioned above and also in La Banque Postale's financial report.

2.7.3.1.3 Group exposure to credit risk (excluding sovereign debt)

2.7.3.1.3.1 Maximum exposure to credit risk, including risk mitigation and hedging measures after impairment

Maximum exposure to credit risk corresponds to the carrying amount of loans and receivables, debt instruments and derivative financial instruments, after the effect of any netting agreements and impairment losses.

	31.12.2024			
(in millions of euros)	Maximum exposure to credit risk	Guarantees, collateral and other credit enhancements	Net maximum exposure to credit risk after guarantees, collateral and other credit enhancements	o/w ECL provisions
Financial assets at fair value through profit or loss – debt instruments (excluding assets backing unit-linked contracts)	92,501	(16,579)	75,922	
Financial assets at fair value through profit or loss – loans and commitments	8,990		8,990	
Debt instruments at fair value through OCI to be reclassified to profit or loss	210,479		210,479	(293)
Securities at amortised cost	88,596		88,596	(70)
Loans and receivables due from credit institutions and related entities at amortised cost	105,055	(24,826)	80,229	(20)
Loans and receivables due from customers at amortised cost	197,306	(96,880)	100,426	(1,922)
On-balance sheet exposure, net of impairment losses	**702,927**	**(138,285)**	**564,642**	**(2,305)**
Financing commitments	41,822	(7,840)	33,982	(118)
Guarantee commitments given	3,817		3,817	(34)
Off-balance sheet exposure	**45,639**	**(7,840)**	**37,799**	**(152)**
TOTAL NET EXPOSURE	**748,566**	**(146,125)**	**602,441**	**(2,457)**

	31.12.2023			
(in millions of euros)	Maximum exposure to credit risk	Guarantees, collateral and other credit enhancements	Net maximum exposure to credit risk after guarantees, collateral and other credit enhancements	o/w ECL provisions
Financial assets at fair value through profit or loss – debt instruments (excluding assets backing unit-linked contracts)	103,700	(13,680)	90,020	
Financial assets at fair value through profit or loss – loans and commitments	10,306		10,306	
Debt instruments at fair value through OCI to be reclassified to profit or loss	203,390		203,390	(302)
Securities at amortised cost	87,085		87,085	(53)
Loans and receivables due from credit institutions and related entities at amortised cost	112,271	(18,995)	93,276	(1)
Loans and receivables due from customers at amortised cost	190,621	(90,845)	99,776	(1,748)
On-balance sheet exposure, net of impairment losses	**707,373**	**(123,520)**	**583,853**	**(2,104)**
Financing commitments	38,758	(7,284)	31,474	(128)
Guarantee commitments given	3,943	(116)	3,827	(43)
Off-balance sheet exposure	**42,701**	**(7,400)**	**35,301**	**(171)**
TOTAL NET EXPOSURE	**750,074**	**(130,920)**	**619,154**	**(2,275)**

2.7.3.1.3.2 Concentration risk

Concentration risk is defined in article 8 of Decree No. 2020-94 of 5 February 2020 as the risk arising from exposure to a single counterparty, including central counterparties, to several counterparties considered to be a single group of related customers, or to counterparties operating in the same economic sector or region, or from granting credit to the same sector of activity, or from applying credit risk reduction techniques, especially sureties issued by a single issuer.

Each Group entity manages its own concentration risk in accordance with its risk framework, in line with the concentration indicators monitored at Group level, namely:

- nominal concentration, defined as the risk of an increase in the default or impairment risk on a portfolio due to a large amount from a single counterparty or several counterparties from the same group;
- concentration risk by sector, defined as the risk of an increase in the default or impairment risk on a portfolio due to lack of sector diversification in that portfolio, in the event of a specific event affecting a given sector and simultaneously impacting the activity of several counterparties. This can trigger several defaults or impairment losses for associated counterparties due to their involvement in or sensitivity to a given sector;
- geographic concentration, defined as the risk of an increase in the default or impairment risk on a portfolio due to lack of geographic diversification in that portfolio, in the event of a specific event affecting a given geographic area and simultaneously impacting the activity of several counterparties. This can trigger several defaults or impairment losses for associated counterparties due to their involvement in or sensitivity to a given region.

Aware of the importance of concentration risk, the Group has introduced monitoring and reporting procedures for nominal, sector and geographic concentration, which notably break down exposures by credit quality (financial rating). In order to contain concentration risks, the Group has set warning thresholds and limits to ensure its exposures remain consistent and appropriate for the amount of equity.

Concentration of credit risk by geographic area

▼ Financial assets at amortised cost

	31.12.2024		
	Financial assets at amortised cost		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
France (incl. overseas departments and territories)	323,069	14,694	2,901
Other EU countries	29,190	140	65
Other European countries	6,958	512	32
Other	16,236	1,436	2
TOTAL BREAKDOWN BY GEOGRAPHIC AREA	**375,453**	**16,782**	**3,000**
Impairment losses	(254)	(639)	(1,122)

	31.12.2023		
	Financial assets at amortised cost		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
France (incl. overseas departments and territories)	324,158	16,952	2,788
Other EU countries	27,203	194	40
Other European countries	7,084	659	32
Other	11,075	4,430	23
TOTAL BREAKDOWN BY GEOGRAPHIC AREA	**369,520**	**22,235**	**2,883**
Impairment losses	(253)	(572)	(979)

▼ Financial assets at fair value through other comprehensive income to be reclassified

	31.12.2024		
	Financial assets at fair value through OCI to be reclassified		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
France (incl. overseas departments and territories)	106,411		
Other EU countries	89,371	17	
Other European countries	8,697		
Other activities	32,199	73	
TOTAL BREAKDOWN BY GEOGRAPHIC AREA	**236,678**	**90**	
Impairment losses	(292)	(1)	

(in millions of euros)	31.12.2023 Financial assets at fair value through OCI to be reclassified Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
France (incl. overseas departments and territories)	104,515	48	2
Other EU countries	84,393	11	
Other European countries	7,733	11	
Other	33,789		
TOTAL BREAKDOWN BY GEOGRAPHIC AREA	**230,430**	**70**	**2**
Impairment losses	(300)		(2)

Off-balance sheet commitments given

(in millions of euros)	31.12.2024 Off-balance sheet commitments given Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
France (incl. overseas departments and territories)	33,503	3,545	158
Other EU countries	2,316	149	
Other European countries	189	1	
Other	5,095	683	
TOTAL BREAKDOWN BY GEOGRAPHIC AREA	**41,103**	**4,378**	**158**
Impairment losses	(40)	(68)	(44)

(in millions of euros)	31.12.2023 Off-balance sheet commitments given Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
France (incl. overseas departments and territories)	31,399	3,427	122
Other EU countries	1,227	147	
Other European countries	378	1	
Other	5,160	839	
TOTAL BREAKDOWN BY GEOGRAPHIC AREA	**38,164**	**4,414**	**122**
Impairment	(59)	(81)	(31)

Concentration of credit risk by counterparty category

Financial assets at amortised cost

(in millions of euros)	31.12.2024 Financial assets at amortised cost Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
Central banks	586		
Public authorities	20,2524	3,856	261
Credit institutions	35,492	64	
Other financial firms	9,479	939	90
Non-financial firms	45,453	5,087	1,421
Retail banking customers	75,085	6,718	1,200
Other activities	6,835	118	28
TOTAL BREAKDOWN BY COUNTERPARTY CATEGORY	**375,453**	**16,782**	**3,000**
Impairment losses	(254)	(639)	(1,122)

Trade receivables are not recognised in this category – see Note 2.3.8 – Prepayments, accrued and deferred income and other assets and liabilities.

	31.12.2023		
	Financial assets at amortised cost		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
Central banks	16,031		
Public authorities	196,677	2,684	231
Credit institutions	28,076	116	
Other financial firms	8,949	455	10
Non-financial firms	40,787	9,166	1,492
Retail banking customers	72,137	8,972	1,138
Other	6,864	842	12
TOTAL BREAKDOWN BY COUNTERPARTY CATEGORY	**369,520**	**22,235**	**2,883**
Impairment losses	(253)	(572)	(979)

▼ Financial assets at fair value through other comprehensive income to be reclassified

	31.12.2024		
	Financial assets at fair value through OCI to be reclassified		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
Central banks	13,334		
Public authorities	115,794		(2)
Credit institutions	59,622		
Other financial firms	7,214		
Non-financial firms	40,715	90	2
TOTAL BREAKDOWN BY COUNTERPARTY CATEGORY	**236,678**	**91**	
Impairment losses	(292)	(1)	

	31.12.2023		
	Financial assets at fair value through OCI to be reclassified		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
Central banks	9,955		
Public authorities	112,304	40	
Credit institutions	56,659		
Other financial firms	7,246	6	
Non-financial firms	44,266	24	2
TOTAL BREAKDOWN BY COUNTERPARTY CATEGORY	**230,430**	**70**	**2**
Impairment losses	(300)		(2)

▼ Off-balance sheet commitments given

	31.12.2024		
	Off-balance sheet commitments given		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
Central banks	136		
Public authorities	15,509	689	1
Credit institutions	4,734	78	
Other financial firms	2,519	289	4
Non-financial firms	9,999	755	138
Retail banking customers	8,032	651	15
Other activities	174	1,915	
TOTAL BREAKDOWN BY COUNTERPARTY CATEGORY	**41,103**	**4,378**	**158**
Provisions	(40)	(68)	(44)

(in millions of euros)	31.12.2023 Off-balance sheet commitments given Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
Central banks	1		
Public authorities	18,139	26	
Credit institutions	1,738	60	
Other financial firms	1,539	207	1
Non-financial firms	8,906	1,854	97
Retail banking customers	7,549	705	24
Other	292	1,562	
TOTAL BREAKDOWN BY COUNTERPARTY CATEGORY	**38,164**	**4,414**	**122**
Provisions	(59)	(81)	(31)

Exposure to credit risk by counterparty category and by rating

Exposure to credit risk – Retail banking customers

▼ Financial assets at amortised cost

	31.12.2024			31.12.2023		
	Retail banking customers			Retail banking customers		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3 lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
PD < 1%	64,885	1,608		63,944	1,801	
1% < PD < 3%	8,168	1,543		6,840	3,468	
3% < PD < 10%	1,874	2,652		1,329	2,678	
PD > 10%	157	914		24	1,025	
Doubtful loans (subject to legal collection procedures)			1,200			1,138
TOTAL	**75,085**	**6,718**	**1,200**	**72,137**	**8,972**	**1,138**

▼ Off-balance sheet commitments given

	31.12.2024			31.12.2023		
	Retail banking customers			Retail banking customers		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
PD < 1%	7,072	388		6,681	370	
1% < PD < 3%	727	131		695	175	
3% < PD < 10%	176	92		148	96	
PD > 10%	58	41		25	64	
Doubtful loans (subject to legal collection procedures)			15			24
TOTAL	**8,032**	**651**	**15**	**7,549**	**705**	**24**

Exposure to credit risk – Corporate

Financial assets at amortised cost

	31.12.2024			31.12.2023		
	Corporate			Corporate		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
AAA	1,896	111		2,604	82	
AA	4,230	69		2,047	68	
A	7,946	271		7,119	327	
BBB	3,874	7		3,835	32	
BB	5,906	87		1,159	2,064	
Other activities	31,079	5,481	1,511	32,972	7,048	1,502
TOTAL	**54,931**	**6,025**	**1,512**	**49,736**	**9,621**	**1,502**

Financial assets at fair value through OCI to be reclassified

	31.12.2024			31.12.2023		
	Corporate			Corporate		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
AAA	2,120			1,715		
AA	7,936			8,230	6	
A	17,927			20,269		
BBB				51		
BB						
Other	19,945	90	2	21,247	24	2
TOTAL	**47,929**	**90**	**2**	**51,512**	**30**	**2**

Off-balance sheet commitments given

	31.12.2024			31.12.2023		
	Corporate			Corporate		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
AAA	606	56		552	68	
AA	1,883			379		
A	1,692	122	(2)	1,694	213	
BBB				90		
BB	2,497			176		
Other activities	5,840	866	143	7,554	1,780	98
TOTAL	**12,519**	**1,044**	**142**	**10,445**	**2,061**	**98**

Exposure to credit risk – Government and central banks

Financial assets at amortised cost

	31.12.2024			31.12.2023		
	Government and central banks			Government and central banks		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
AAA	12,436	640		10,594	486	
AA	122,592	60	19	122,649	13	23
A	17,043	74	44	14,648	4	51
BBB	24,956	813	4	23,575	405	3
BB	393	985		87	1,518	
Other activities	25,689	1,284	194	41,155	258	154
TOTAL	**203,109**	**3,856**	**261**	**212,708**	**2,684**	**231**

Financial assets at fair value through OCI to be reclassified

	31.12.2024			31.12.2023		
	Government and central banks			Government and central banks		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
AAA	18,264			14,006		
AA	81,759			76,155		
A	8,781			6,845		
Other activities	20,323		(2)	25,253	40	
TOTAL	**129,128**		**(2)**	**122,259**	**40**	

Off-balance sheet commitments given

	31.12.2024			31.12.2023		
	Government and central banks			Government and central banks		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
AAA	429			333		
AA	485			707		
A	184			283		
BBB	2,644			3,541		
BB	332			645		
Other activities	11,572	688	2	12,631	26	1
TOTAL	**15,645**	**689**	**2**	**18,140**	**26**	**1**

Exposure to credit risk – Credit institutions

Financial assets at amortised cost

	31.12.2024			31.12.2023		
	Credit institutions			Credit institutions		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
AAA	1,355			1,858		
AA	6,599			3,497		
A	25,815			20,233		
BBB	611			1,089	53	
BB						
Other	1,112	63		1,399	63	
TOTAL	**35,492**	**64**		**28,076**	**116**	

Financial assets at fair value through OCI to be reclassified

	31.12.2024			31.12.2023		
	Credit institutions			Credit institutions		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired assets
AAA	2,739			2,087		
AA	7,098			5,453		
A	43,185			41,717		
BBB						
BB						
Other	6,599			7,402		
TOTAL	**59,622**			**56,659**		

Off-balance sheet commitments given

	31.12.2024			31.12.2023		
	Credit institutions			Credit institutions		
(in millions of euros)	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments	Stage 1: 12-month expected credit losses	Stage 2: lifetime expected credit losses	Stage 3: lifetime expected credit losses – credit-impaired commitments
AAA	39			197		
AA	4,182			910		
A	234	14		300		
BBB						
BB						
Other	278	64		331	60	
TOTAL	**4,734**	**78**		**1,738**	**60**	

Movements during the period in gross value and impairment

Movements during the period on Stage 1, 2 and 3 exposures and impairment are presented in Notes 2.3.5 – Loans and receivables due from credit institutions and related entities at amortised cost, and 2.3.6 – Loans and receivables due from customers at amortised cost.

2.7.3.1.4 Exposure to credit risk on sovereign debt – Breakdown of the sovereign portfolio by country

Sovereign debt comprises all loans, receivables, debt securities and off-balance sheet commitments given for which the counterparty is a given country, i.e., a national government or one of its agencies (including regional governments or local authorities and public sector entities as defined by the European Banking Authority (EBA) in articles 115 and 116 of the Capital Requirements Regulation).

The net direct exposures shown below correspond to all such amounts carried on the balance sheet (marked to market and less any impairment losses).

Indirect exposures correspond to amounts recognised as financing and guarantee commitments given to sovereign counterparties within the meaning of IFRS 9.

This table now excludes exposures to non-sovereign counterparties that are otherwise fully or partially guaranteed by a sovereign.

(in millions of euros)	31.12.2024						
	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI to be reclassified	Loans and receivables at amortised cost	Securities at amortised cost	Total direct exposure	Commitments given in respect of financing and financial guarantees	Total net direct and indirect exposure
South Africa				23	23		23
Germany	196	4,929	1,073	1,679	7,877		7,877
Argentina			67		67		67
Austria	6	1,850	150	152	2,158		2,158
Belgium	78	7,416	1,291	2,887	11,672		11,672
Benin			115		115		115
Brazil	24,214	2,381	31	92	26,718		26,718
Bulgaria				55	55		55
Canada		472		100	572		572
Chile				292	292		292
Cyprus		1			1		1
Colombia				141	141		141
South Korea		18		8	26		26
Côte d'Ivoire			413		413	332	745
Croatia				107	107		107
Egypt			868		868	683	1,551
Spain	41	10,155	514	3,580	14,290		14,290
United States	1	79			80		80
Finland	1	372	4	25	402		402
France		53,391	130,662	45,227	229,280	8,864	238,144
Greece				9	9		9
Indonesia			1,285	182	1,467	2,644	4,111
Ireland	19	95	86		200		200
Israel				138	138		138
Italy	82	9,491	3,594	1,517	14,684		14,684
Japan		1,906			1,906		1,906
Luxembourg	1	92		785	878		878
Mexico		108		256	364		364
Norway		6			6		6
Netherlands	15	356	127	176	674		674
Peru				214	214		214
Poland		183	26	242	451		451
Portugal	3	589	98	1,483	2,173		2,173
Qatar			669		669		669
Romania		144		264	408		408
United Kingdom		74		6	80		80
Senegal			1		1	69	70
Slovenia		110		78	188		188
Sweden		20	17		37		37
Switzerland		29			29		29
Supranational	589	12,414	567	1,349	14,919		14,919
Ukraine			33		33		33
Other countries	19	156	7	27	210		210
TOTAL	**25,265**	**106,837**	**141,698**	**61,094**	**334,895**	**12,592**	**347,487**

	31.12.2023						
(in millions of euros)	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI to be reclassified	Loans and receivables at amortised cost	Securities at amortised cost	Total net direct exposure	Commitments given in respect of financing and financial guarantees	Total net direct and indirect exposure
South Africa				23	23		23
Germany	280	4,907	554	1,666	7,407		7,407
Argentina			86		86		86
Austria	19	772	134	133	1,058		1,058
Belgium	277	5,927	1,252	2,706	10,162		10,162
Benin			97		97	26	123
Brazil	26,379	2,795		96	29,270		29,270
Bulgaria				52	52		52
Canada	1	601		54	656		656
Chile				247	247		247
Cyprus	59	38			97		97
Colombia				145	145		145
South Korea		28		8	36		36
Côte d'Ivoire			92		92	645	737
Croatia				102	102		102
Egypt			835		835	710	1,545
Spain	98	10,005	55	3,573	13,731		13,731
United States	18				18		18
Finland	1	84		25	110		110
France	2,944	58,429	110,744	41,760	213,877	4,812	218,689
Greece				10	10		10
Indonesia			302	164	466	3,541	4,007
Ireland	8	86			94		94
Israel		771		163	934		934
Italy	365	12,381		1,520	14,266		14,266
Japan		83			83		83
Luxembourg	1	181		784	966		966
Mexico		108		238	346		346
Norway		198			198		198
Netherlands	5	121		177	303		303
Peru				204	204		204
Poland	25	228		157	410		410
Portugal	66	632	100	1,493	2,291		2,291
Qatar			991		991	36	1,027
Romania		142		266	408		408
United Kingdom	1		208		209		209
Slovenia		108		54	162		162
Sweden			15		15		15
Supranational	817	8,881	373	891	10,962		10,962
Ukraine			46		46		46
Other countries	11	159		27	197		197
TOTAL	**31,375**	**107,665**	**115,884**	**56,738**	**311,662**	**9,770**	**321,432**

2.7.3.2 Market risks

2.7.3.2.1 Definitions and scope

Market risk is defined as the risk of loss (whether recorded in the income statement or directly in equity) resulting from fluctuations in the prices of the financial instruments held in a given portfolio.

The Caisse des Dépôts Group is exposed to market risks mainly through three portfolios:

- La Banque Postale exposures recognised at fair value and including its trading book within the regulatory meaning, as well as assets in the banking and insurance portfolio recognised at fair value through profit and loss or through other comprehensive income;
- a variable-income securities portfolio mainly managed by the Caisse des Dépôts Central Sector;
- certain positions or activities in the SFIL banking portfolio that, despite not presenting any market risk in the regulatory meaning of the term, are recognised at fair value through profit and loss or through other comprehensive income. They are mainly assets that do not meet the SPPI criteria.

2.7.3.2.2 Market risk governance and management

2.7.3.2.2.1 Market risk indicators

The risk management divisions at the Group's entities are responsible for monitoring market risk, mainly using one or more of the following indicators.

Sensitivities

Sensitivities are used to measure the exposure of the Group's portfolios to fluctuations in risk factors. The risk management divisions validate the method for calculating sensitivities and ensure that all risk factors identified as relevant and material have been taken into account.

Value at Risk (VaR)

VaR is an indicator of loss exposure that gives an estimate of the maximum potential losses over a specified period with a given probability. Each Group entity calibrates its VaR models in order to encompass the risks inherent to their portfolios as accurately as possible. They apply a certain number of shared principles, such as use of a prudent confidence interval (1-day 99% VaR for trading portfolios, 1-day or 1-month 99% VaR for other portfolios) and the application of higher weightings to recent market movements.

The risk management divisions back-test the results of the model used to calculate the VaR, in order to assess its robustness.

Stress scenarios

VaR is estimated under current market conditions and does not provide any information on the amount of the potential loss in extreme and targeted market conditions (geopolitical shock, bankruptcy of a systemically important group, pandemic, etc.). That is why stress scenarios are defined. A distinction is made between two major stress families:

- historical stresses based on past financial crises;
- hypothetical stresses determined using changes that are considered plausible and are calibrated with assumptions based on historical statistics drawn from market data.

2.7.3.2.2.2 Market risk governance: limits and information

Depending on the portfolio in question, the risk indicators are subject to limits or are reported to the governance bodies of the entities concerned. A distinction is made between three levels of limits:

- limits set or metrics provided for information only by the supervisory body of the entity concerned (Caisse des Dépôts' Supervisory Board, La Banque Postale's Supervisory Board and SFIL's Board of Directors) in the Risk Appetite Statement (RAS);
- limits rolled down to each business unit in the entities' central risk management documents (e.g. their Risk Management Policy), and information for the executive bodies (Caisse des Dépôts' Executive Committee via the monthly risk report, La Banque Postale's Management Board and SFIL's Executive Committee);
- detailed operational limits and compliance reporting to monthly meetings of portfolio management committees (market risk committees for La Banque Postale and SFIL).

Limit overruns trigger an alert procedure and related corrective actions and the maximum duration of the overrun are assessed by entities' risk management divisions based on the nature of the overrun and the operating and market context.

Detailed information about market risks is provided by La Banque Postale and SFIL in their respective annual financial reports.

2.7.3.2.2.3 Market risk for the equity portfolio of the Caisse des Dépôts Central Sector

The Group Risk Management division performs Stressed VaR (SVaR) calculations (1-month 99% VaR) on the equity portfolio, using the Monte Carlo method.

The indicator uses pseudo-Gaussian distribution assumptions with fat-tailed distributions. This provides an accurate estimate of the maximum risk for the chosen holding period and confidence interval under actual market conditions, assuming the Group will continue as a going concern.

The SVaR calculation method uses a large number of risk factors and a high-dimension Monte Carlo model that involves choosing from among these risk factors in the light of volatilities and historical correlations. The historical returns used for the SVaR calculations are spread over a stressed historical window.

The SVaR gives a maximum potential loss in a particularly stressed economic environment.

If the price of an instrument does not vary in line with the primary risk factor – as is the case with options – the calculation tool remeasures it under each of the scenarios using integrated pricing formulas.

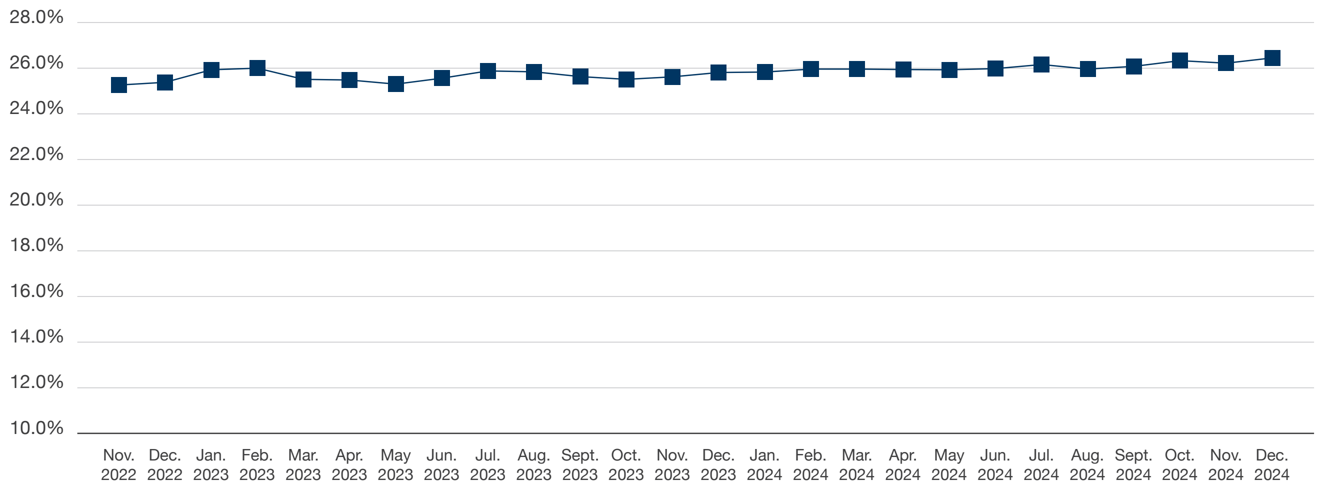
Caisse des Dépôts Central Sector's equity portfolio risk is broken down by industry using the Industry Classification Benchmark (ICB2), which makes it possible to break out marginal SVaR and to analyse the contribution of each industry to overall SVaR.

Equity fund risk is calculated in the local currency, but does not factor in the underlying currency risk, and is then revalued at the equivalent euro amount. In fact, Caisse des Dépôts Central Sector's currency risk is measured for the Group as a whole and not at individual portfolio level.

Caisse des Dépôts Central Sector indicators – 31 December 2024

	Portfolio *(in millions of euros)*	SVaR *(in millions of euros)*	SVaR *(%)*
Equity portfolio	27,846	7,373	26.48%
International equities	1,496	408	27.28%
Exchange-traded funds	1,428	348	24.37%
CDC Croissance	1,547	367	23.70%

Monthly changes in the Caisse des Dépôts Central Sector's equity portfolio SVaR over a rolling twelve-month period



Since the indicator went live in November 2022, the Stressed-VaR has remained in a narrow range around 25%. Increases and decreases are due to changes in the weighting of portfolio positions and sectors over time.

Breakdown of the Caisse des Dépôts Central Sector's equity portfolio SVaR by sector at 31 December 2024

	Weighting in the SVaR	Weighting in the portfolio
Industrial goods and services	19.1%	17.0%
Private consumer goods	17.9%	18.9%
Banking	12.7%	8.1%
Insurance	9.2%	5.5%
Pharmaceuticals/Healthcare	6.3%	13.2%
Construction	5.8%	3.9%
Technology	4.5%	4.5%
Chemicals	3.9%	4.6%
Utilities	3.5%	4.3%
Oil & gas	3.4%	4.6%
Food & beverage	2.8%	4.4%
Financial services	2.8%	1.8%
Automotive	2.7%	1.8%
Media	1.7%	1.9%
Commodities	1.1%	1.9%
Telecommunications	0.9%	2.1%
Real estate	0.8%	0.6%
Travel & leisure	0.5%	0.5%
Retail	0.3%	0.4%
Commodities	0.2%	0.1%

2.7.3.2.2.4 Market risk for La Banque Postale asset portfolios

La Banque Postale is exposed to market risks due to its cash management and surplus liquidity management activities (portfolio of assets available for sale and hedging transactions), and through the transactions undertaken on behalf of customers. The market risk portfolio comprises the trading portfolio, as well as banking portfolio transactions measured at fair value, including transactions in available-for-sale securities and certain securities lending and borrowing transactions. The associated risks are assessed using:

- sensitivity, which measures the exposure of La Banque Postale's portfolio to change in risk factors;
- VaR. La Banque Postale uses a parametric VaR, calculated using a variance-covariance matrix that covers La Banque Postale's interest rate, spread, exchange rate, volatility and equity risks. The resulting VaR partly covers option-related risks, with second-degree risks not being taken into account. Although they are not currently material in relation to total positions, an increase in option positions could lead La Banque Postale's Risk department to adopt a more appropriate methodology. Moreover, option risk monitoring indicators are deployed.

La Banque Postale is primarily exposed to interest rate, credit spread and equities risks. Currency risks, particularly related to international mandates and financial activities, along with volatility risks, are moderate.

▼ Trading book VaR

The trading book's VaR averaged €2 million over one year, with a peak of €3.78 million. No limits were exceeded.

2.7.3.2.2.5 Market risk for SFIL asset portfolios

SFIL group, as a public development bank, does not conduct any trading transactions and is therefore not exposed to market risks in the regulatory sense of the term. Similarly, CAFFIL, as a *société de crédit foncier* (mortgage bank), is prohibited from holding trading portfolios or equity investments and is therefore not exposed to regulatory market risk. Certain positions or activities in the banking book are nonetheless sensitive to the volatility of market parameters and they are monitored as non-regulatory market risks. These are primarily:

- risks arising from fluctuations in the value of financial assets at fair value through profit or loss. The sensitivity of loans measured at fair value through profit or loss was €1.3 million at the end of 2024 for a 1 bps change in the portfolio's credit spread, down 23% year-on-year;
- changes in fair value adjustments to derivatives including credit valuation adjustments (CVA) and debt valuation adjustments (DVA), recognised in the income statement under IFRS;
- the French GAAP provision for marketable securities;
- risks that may affect SFIL's separate financial statements related to the derivatives intermediation activity carried out on behalf of CAFFIL, if the derivatives set up by SFIL with external counterparties are not perfectly replicated with CAFFIL.

2.7.3.3 Structural risks

2.7.3.3.1 Liquidity risk

2.7.3.3.1.1 Definition, scope and governance

Liquidity risk is the risk that a company cannot meet its commitments or cannot unwind or cover a position either because of the market situation or idiosyncratic factors, within a specific period or at a reasonable cost.

Liquidity risk is managed under the framework established by article 2 of Decree No. 2020-94 and there is no liquidity pool at Group level.

Group governance

Common principles for all Caisse des Dépôts Group entities are set out in the Group's financial risk management policy. First, the policy underlines the fact that there is no liquidity pool at CDC Group level. Each entity is therefore responsible for managing its own liquidity and financing.

Given its mission of supporting the country's economic development and its role as a trusted third-party manager, the Group's liquidity policy is designed to protect its financing capacity in the long term in all market conditions. As a shareholder, Caisse des Dépôts ensures that its subsidiaries apply a prudent liquidity policy that reflects the Group's objectives, their own objectives and their autonomous management.

Each entity is therefore required to have a documented liquidity policy setting out in risk terms its approach to the Caisse des Dépôts' liquidity policy. The policy should be reviewed at least once a year by the entity's governance body.

The policy should cover the following main points:

- liquidity governance at the entity;
- indicators and their limits;
- operational roll-down of the liquidity policy;
- stress tests and contingency procedures.

Regulated entities have a set of procedural documents that set out their liquidity risks, the liquidity risk indicators and their limits. Each entity asks its governance bodies to validate its financing plan at least once per year, specifying the nature of the target funding and the value of its issuance programmes.

Entities have IT systems for monitoring liquidity balances and financing transactions, as well as procedures for guaranteeing the diversification of their financing sources. If necessary, the entities document the method used to set limits. The document sets out the rules for dealing with and escalating limit overruns.

2.7.3.3.2 Liquidity risk management and governance

2.7.3.3.2.1 Liquidity management in the Central Sector

Given the importance of managing balance sheet liquidity throughout the Caisse des Dépôts Group, a number of mechanisms have been set up that are designed to:

- match sources to uses of funds as effectively as possible by controlling maturity mismatch risk on the balance sheet and therefore by limiting the need to refinance long-term investments with short-term liabilities (in both euros and foreign currencies);
- maintain conservative amounts of liquid assets to cover upcoming Public Institution repayment obligations;
- limit dependency on market-based financing[(1)].

Liquidity is managed in accordance with the prudential model (reference document updated every year), supplemented by the ILAAP (Internal Liquidity Adequacy Assessment Process), which demonstrates the Group's robust mechanism for assessing and managing liquidity. It contains the documentation relating to Caisse des Dépôts' liquidity policy, as well as its operational deployment, governance and risk management.

The prudential model defines a series of indicators for assessing the Central Sector's exposure to liquidity risk, quantifying the overall risk and managing it. These indicators are monitored at monthly and quarterly meetings of the Balance Sheet Management Committee, in order to:

- track the level of resources (statutory and regulated deposits, volume of issues);
- manage the level of the liquidity reserve;
- measure the mismatch between assets and liabilities;
- produce balance sheet projections according to various assumptions;
- measure the Central Sector's resistance to liquidity stress;
- manage the NSFR and LCR regulatory liquidity ratios; and
- more generally, manage short- and medium-term liquidity risk.

In the absence of a liquidity pool at Caisse des Dépôts Group level, these indicators are calculated at entity level and are generally accompanied by management thresholds. The limits and thresholds are reviewed each year and validated by dedicated governance bodies. Under the Central Sector's ILAAP, the contingency plan and associated procedures will be triggered if any of these thresholds is crossed.

Main liquidity risk indicators

Liquidity gaps

Liquidity gaps, which are presented at monthly meetings of the Balance Sheet Management Committee, correspond to the monthly differences in maturities of liabilities and assets measured over the next five years. Gaps are calculated on a static and dynamic basis:

- static gap analysis measures the difference between the natural maturities of liabilities (including deposit maturities) and assets, excluding new lending;
- dynamic gap analysis measures the reinvestment and new lending impacts.

Warning thresholds and limits (based on different time horizons) applied to the static liquidity gap analysis are set in relation to the components of the liquidity reserve.

On average, these thresholds stand at around €24 billion.

Maximum liquidity gaps calculated at 31 December 2024 were well below the Group's trigger threshold or overall risk limit.

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(1) Outstanding long-term debt issues in 2024 were in accordance with the financing plan validated by the Balance Sheet Management Committee.

Liquidity reserve

The liquidity reserve held by the Central Sector is managed on a daily basis and its level and composition (in particular by regulatory component, type of counterparty and haircut) are reviewed at the monthly meetings of the Balance Sheet Management Committee. The liquidity reserve corresponds to the amount of liquidity likely to be obtained at short notice (a few hours to a few days) even under high-stress conditions. The liquidity reserve is composed of:

- an intraday limit plus a trigger threshold, calibrated to meet intraday liquidity needs;
- a target management level, calibrated to permit the financing, over one month, of the commitments and forecast business volumes set out in the Five-Year Financing Programme without borrowing on the interbank market, taking into account customer deposit run-off assumptions.

At 31 December 2024, the liquidity reserve comfortably exceeded the thresholds and limits.

Survival horizon

Liquidity risk management was strengthened in 2023 by the introduction of a survival horizon indicator, calculated quarterly as part of the liquidity stress tests. This new indicator reflects the period during which the Central Sector is able to honour all its financial commitments under a stressed scenario. It measures the Central Sector's resilience to liquidity stress, in line with market practice. The Central Sector's survival horizon remains very comfortable over the Financing Programme's multi-year projection period, under the various stress scenarios.

Regulatory liquidity ratios

In application of France's PACTE Law, the Central Sector has been reporting its LCR and NSFR ratios since the beginning of 2023.

These ratios are significantly above the regulatory minimum of 100% for the LCR and 80% for the NSFR applicable to Caisse des Dépôts.

In addition, to support the management of these ratios, estimates are prepared at given dates, along with five-year projections under the three macroeconomic and financial scenarios of the Multi-year Financial Programme. For the LCR, a static projection is calculated daily with a ninety-day horizon.

Financing capacity

At 31 December 2024, outstanding long-term issues were established in accordance with the financing plan validated by the Balance Sheet Management Committee.

2.7.3.3.2.2 Liquidity management at La Banque Postale

Liquidity risk reporting and assessment systems

The limits and indicators used to manage liquidity risks refer to the Group's individual business units, notably La Banque Postale which is the largest Group entity.

The liquidity risk prudential reporting systems cover the entire prudential consolidation scope. Some La Banque Postale group entities are also subject to reporting requirements at the individual level.

La Banque Postale's overall liquidity risk management

La Banque Postale has a strong liquidity position based on:

- an excess of customer deposits over customer loans. La Banque Postale has a significant and diversified deposit base consisting primarily of deposits from French retail customers;
- a large high quality liquidity assets (HQLA) portfolio: La Banque Postale has traditionally invested a significant portion of its balance sheet in sovereign securities due to its historical activity as a deposit-taker. The customer credit business only began to develop in 2006. This portfolio contains only high-quality liquid assets, in accordance with Delegated Regulation (EU) No 2015/61;
- proven access to capital markets and money markets.

Since funds from customers mostly have no fixed maturity and may be payable at any time (deposits, passbook accounts), their runoff is modelled to determine their profile over time. La Banque Postale has adopted a conservative approach to assessing its liquidity positions.

Liquidity risk management

The Balance Sheet Monitoring Committee is responsible for managing liquidity risk in accordance with the principles and limits approved by the Group Risk Management Committee. Part of this responsibility is delegated to the ALM and Treasury Committee for liquidity risk.

In operational terms, La Banque Postale has implemented an Internal Liquidity Adequacy Assessment Process (ILAAP) which combines all of its liquidity limits, assessment, monitoring, reporting and management procedures. The process includes:

- a system of risk indicators subject to regulatory or internal limits, published at monthly intervals;
- daily monitoring of changes in the buffer consisting of unencumbered high-quality liquid securities and a proxy LCR;
- a financing plan which ensures the equilibrium of La Banque Postale's refinancing position on an ex-ante basis in La Banque Postale group's budget planning universe;
- twice-yearly market access tests to verify market access in different currencies and actual liquidity tests on securities;
- the Emergency Funding Plan (EFP), which is primarily intended to:
  - define alert thresholds to enable early detection of liquidity stress, whether specific to La Banque Postale or systemic;
  - identify all available liquidity-generating capacities (liquidity reserves and financing capacity);
  - mobilise governance to manage potential crises in a timely manner;
  - define stress test exercises to measure La Banque Postale's room for manoeuvre in the context of historically high stress.

Liquidity risk measurement

The main indicators of liquidity risk are presented below.

Liquidity Coverage Ratio (LCR)

The LCR is a monthly short-term liquidity ratio which measures La Banque Postale's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a global crisis scenario. This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period. In order to be able to ensure that a sufficient liquidity cushion is available at all times using a daily internal liquidity risk metric, an LCR proxy is calculated daily.

Under banking regulations, LCR must be greater than 100%. La Banque Postale's internal LCR target is higher than this and its actual LCR at 31 December 2024 was significantly above the minimum level, at 165% (versus 146% at 31 December 2023).

Survival horizon

This indicator measures the number of days during which La Banque Postale would be able to meet is payment obligations in a crisis situation, solely by using its liquidity buffers and assuming that it continues to operate normally (*i.e.,* without extraordinary management action such as a lending freeze).

It is determined based on stressed dynamic gaps calculated for each crisis scenario (systemic, specific to La Banque Postale or both) and corresponds to the horizon observed under the least favourable scenario for La Banque Postale.

The survival horizon is expressed as a number of months (up to a maximum of six months, which corresponds to the crisis scenario horizon), plus the observed liquidity surplus or shortfall corresponding to the horizons set for risk management purposes.

Liquidity gap

La Banque Postale assesses its long-term liquidity level by reference to a liquidity gap. The liquidity gap includes static gap forecasts by maturity at 1-, 3- and 5-year horizons. The assumptions used correspond to a stressed approach, resulting in a conservative view of La Banque Postale group's liquidity position.

The liquidity gap assessment approaches are determined according to the type of asset (or liability) on the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- liquidity profile of the transferable assets;
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk department. Off-balance sheet transactions are included, taking into account drawdown assumptions. The transferability of certain transactions may be taken into account where appropriate.

▼ Long-term static liquidity gap at 31 December 2024

Average spot gaps *(in millions of euros)*	1 year	3 years	5 years
Uses	(229,533)	(170,726)	(129,554)
Resources	237,348	182,936	141,395
Off-balance sheet	(48)	(7)	(5)
Liquidity gap at 31 December 2024	**7,768**	**12,203**	**11,836**
Liquidity gap at 31 December 2023	21,907	20,683	18,636
Adjustments	(14,139)	(8,480)	(6,800)

The liquidity gap (excess sources of funds) narrowed over the period as a result of the outflow of funds from PEL home savings accounts and demand deposits, and the growth in corporate loans.

At the same time, part of the Bank's liquidity was tied up in the €1 billion increase in its financial security cushion.

Net Stable Funding Ratio (NSFR)

The NSFR corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time. "Available stable funding" (ASF) refers to the portion of resources that are not payable within the time frame considered, *i.e.* 1 year within the context of the NSFR. The amount of "required stable funding" (RSF) of a business depends on the characteristics of its liquidity and the residual maturity of its assets (and off-balance sheet positions). At 31 December 2024, as part of the regulatory liquidity exercises carried out for the ECB, the NSFR liquidity ratio was 131.6%.

Liquidity reserve

The purpose of the liquidity reserve is to quantify the amount of cash and liquidity readily available through the sale or repurchase of securities in order to withstand a liquidity crisis. The liquidity reserve is composed of:

- cash deposited with the Central Bank (excluding the average mandatory reserves calculated over the incorporation period);
- ECB-eligible securities with a satisfactory rating;
- retained covered bonds and covered bonds issued by La Banque Postale through its subsidiary La Banque Postale Home Loan SFH.

▼ Liquidity reserve at 31 December 2024

Composition of the liquidity reserve *(in millions of euros)*	31.12.2024
Cash and central banks	25,830
High quality liquid assets	13,166
Other ECB-eligible securities	10,341
TOTAL LIQUIDITY RESERVE	**49,337**

In addition, La Banque Postale is potentially also in a position to issue €10.4 billion worth of covered bonds eligible for central bank refinancing in accordance with the authorisations given in its Financing Plan, by collateralising its home loans.

Emergency Funding Plan (EFP)

The EFP is monitored by the Group's funding governance bodies (the ALM and Treasury Committee and the Refinancing Sub-Committee of the Group Risk Management Committee) and implemented by the Corporate and Investment Banking Division.

The EFP is part of the internal liquidity assessment process on which La Banque Postale reports each year. The EFP sets out the leading indicators selected to gauge the robustness of the (financial or banking) markets impacting the liquidity of La Banque Postale. These indicators can be broken down into two major groups:

- systemic indicators;
- entity-specific ("idiosyncratic") indicators.

A specific threshold (comfort, vigilance or warning) is defined for each indicator.

The EFP also makes provisions for a mechanism to be implemented in the event of a proven systemic or entity-specific crisis. This mechanism mainly takes the form of an inventory of the various sources of funds (or liquidity) available to La Banque Postale, based on the amounts involved and the speed with which they can be accessed. The EFP also makes provisions for specific governance through committees, which will monitor the leading indicators. The purpose of this governance organisation is to increase oversight of liquidity risk. In normal times, the indicators are presented at meetings of the ALM and Treasury Committee and periodically to the GRMC. They are also tracked during weekly meetings of the Refinancing Committee. The indicators selected, and the actions proposed, are tested on the markets in order to gauge their suitability along with market liquidity.

The funding test involves testing the market by issuing short-term debt. The aim of this type of test is to regularly verify La Banque Postale's ability to quickly raise funds on the markets to ensure that its estimated borrowing capacity remains valid.

This type of test is carried out at least twice a year.

Ability to access external financing

In line with the ALM Committee and the GRMC's healthy and prudent liquidity management, La Banque Postale has secured diversified sources of financing, including:

- a €20 billion NEU CP (Negotiable European Commercial Paper) programme and a €10 billion ECP (European Commercial Paper) programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €2 billion NEU EMTN programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €20 billion retail EMTN programme enabling the issue of senior (vanilla and structured), non-preferred senior and Tier 2 debt;
- a €10 billion retail structured senior debt programme;
- a €30 billion EMTN programme for the issue of home loan bonds (*obligations de financement de l'habitat* – OFH) via its secure financing vehicle, La Banque Postale Home Loan SFH, a La Banque Postale SA subsidiary created in 2013;
- access to European Investment Bank (EIB) refinancing under La Banque Postale's eligible funds commitment;
- a portfolio of HQLA (high-quality liquid asset) securities, consisting mainly of rapidly accessible, high-quality government bonds which represent a stable source of eligible assets enabling access to ECB refinancing operations or to the securities repo market;
- access to the Brokertec, Eurex Repo and Eurex GC Pooling and NGT Bondlend repo platforms;
- access to the interbank market and a customer base of asset managers and European or international government agencies.

La Banque Postale also has access to a secured financing vehicle via the Caisse de Financement Local (CAFFIL), to which it regularly sells originated local public sector loans.

Encumbered/unencumbered assets at 31 December 2024

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
(in millions of euros)		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		*Liquid asset buffer*		of which EHQLA and HQLA
Assets of the disclosing institution	118,876	26,928			197,536	8,108		
Equity instruments	262				355		355	
Debt securities	27,584	26,928	24,715	24,061	16,813	8,108	14,881	6,089
• of which covered bonds	411	411	411	410	2,603	2,541	2,576	2,514
• of which securitisations					1,318	1,023	1,316	1,020
• of which issued by general governments	26,354	26,338	23,485	23,470	4,390	4,075	2,266	1,980
• of which issued by financial corporations	976	547	983	547	11,484	3,482	11,686	3,450
• of which issued by non-financial corporations	44	18	46	18	767	302	755	299
Other assets	91,165				180,249			

La Banque Postale group's encumbered assets consist of the following:

- securities delivered under repurchase agreements with other financial counterparties;
- securities pledged for the Central Bank and Crédit Logement;
- home loans pledged as collateral for La Banque Postale Home Loan SFH's covered bond issues;
- margin calls on securities and derivatives;
- collateral deposits.

2.7.3.3.2.3 Liquidity management at SFIL

Governance

Liquidity risk appetite represents the level of risk that SFIL is authorised to assume, given the expectations of stakeholders (shareholders, regulators, rating agencies, customers, etc.), in order to be able to carry out its corporate missions. The risk appetite is defined by the Board of Directors based on the recommendation of SFIL's Executive Committee.

It takes the form of a series of monitoring indicators and limits defined by the Market and Balance Sheet Risk division, which set the framework for the management of liquidity risk in its various forms. These indicators and limits are reviewed annually.

They are managed by the ALM team in the Finance and Financial Markets division, which produces monitoring indicators, performs first-level controls and proposes management measures to ensure compliance with limits.

The management processes are overseen by the Market and Balance Sheet Risk division, which implements second-level controls on the most significant indicators and checks compliance with the established limits.

This activity is organised around three committees:

- the Board of Directors, which delegates responsibility for defining the risk appetite to the Risk and Internal Control Committee (RICC);
- the Asset-Liability Management Committee (ALCO), which decides on the ALM strategy and oversees its correct implementation based on the management indicators produced for its review;
- the ALM Liquidity Committee, which prepares all relevant information for the ALCO and implements the ALCO's decisions.

Liquidity risk measurement

Certain changes in the structure of the liquidity risk monitoring system were approved by the RICC in December 2024 for application in 2025.

Refinancing risk is monitored using the dynamic one-year borrowing requirement indicator (funding required to refinance static liquidity needs over the next twelve months, plus the amount derived from origination assumptions). This indicator is subject to a set of limits, including a first threshold (early warning Risk Appetite Framework limit), set at €10 billion. In view of the Group's financing capacity, the early warning RAF limit has been raised to €12 billion, leading in turn to an increase in the RAF limit to €13.5 billion and in the recovery plan limit to €15 billion.

At 31 December 2024, the dynamic one-year funding requirement stood at €8.6 billion, slightly below the amount covered by the 2025 financing plan (€9.3 billion).

Refinancing risk *(€bn)*	31.12.2024	31.12.2023	*RAF limit*	*Early warning RAF*
Dynamic one-year funding requirement	8.6		13.5	12.0

Regulatory risk is monitored through the LCR and NSFR indicators, which are subject to threshold and limit controls.

Regulatory ratios *(SFIL consolidated, %)*	31.12.2024	31.12.2023	*RAF limit*	*Early warning RAF*
LCR	440%	301%	140%	150%
NSFR	125%	122%	107%	110%

Compliance with these limits is guaranteed by a set of management rules defined by the ALCO, which are also subject to limits. These rules concern the concentration of debt maturing within one month (LCR management indicator) and debt maturing within 12 months (NSFR management indicator). The principle consists of ensuring that the accumulation of debt maturities over these horizons does not lead to a funding requirement (in terms of amount and/or duration) that is incompatible with the Group's operating capacity. The one-month limit is €2 billion and the twelve-month limit is €9 billion.

Spread risk is monitored using two indicators, one designed to measure and control the Group's exposure up to the extinguishment of balance sheet liabilities and the other to measure and control its medium-term exposure (five years), over a realistic management horizon.

- Total exposure to spread risk is monitored based on the proportion of unfunded assets, calculated as the ratio between the liquidity gap (excluding excess liquidity) up to maturity and the liquidity gap on total balance sheet assets. This measurement is used to assess spread risk as a function of both the size of the refinanced balance sheet and its maturity profile.
- Medium-term exposure to spread risk is monitored based on the five-year average of the static gap. This indicator gives an idea of both the maximum funding requirement over the next five years (around double the level of the indicator) and the loss that would be incurred in the event of an increase in the Group's refinancing costs, due to spread risk sensitivity.

Spread risk	31.12.2024	*RAF limit*	*Early warning RAF*
Average 5-year gap *(in billions of euros)*	3.8	8.0	6.0
Percentage of unfunded assets	16%	30%	25%

In addition, SFIL has developed a stress testing system based on stress scenarios (systemic shocks and a combination of systemic and idiosyncratic shocks) and an assessment of their impact on SFIL's activities. They form part of the Liquidity Adequacy Assessment Process (ILAAP) and co-exist with other risk measurement processes (ICAAP, recovery plan) in order to ensure that all stress factors are coherent and applied to the various types of risk.

The scenarios are reviewed at least once a year. They are applied to SFIL and CAFFIL, incorporating the management specificities and regulatory restrictions applicable to each entity. The main stress factors used are:

- prolonged closure of the interbank market and mortgage bond market;
- a general decrease in the value of the securities in the liquidity reserve, plus in some cases an additional discount for climate risk;
- an increase in the payment of collateral on derivatives;
- default of a derivatives counterparty;
- unpaid receivables to customers.

At 31 December 2024, a survival period of more than one year is respected in each of the stress scenarios.

Financing capacity

In normal circumstances, the Group's activity is financed by:

- covered bond issues at CAFFIL, secured by assets eligible for the cover pool (CAFFIL);
- long-term EMTN issues at SFIL;
- short-term NEU CP issues at SFIL.

In 2024, the bond markets were affected by the launch of a cycle of interest rate cuts by the main central banks (Federal Reserve and European Central Bank), which both reduced their key rates by a cumulative 100 basis points over the year. This buoyant environment for bond issuance in the sovereign, supranational & agency (SSA) segment and covered bond segment was reflected in strong overall investor demand across a broad spectrum of maturities, as well as in the changes in spreads in the first half of the year.

On the other hand, the June 2024 announcement of early parliamentary elections in France resulted in a widening of the OAT-Bund spread and French credit spreads in general, which continued in the second half of the year. This market environment, combined with the outcome of the US elections and Europe's worsening geopolitical, economic and financial outlook acted as a brake on bond issuance activity from November onwards.

Against this backdrop, the SFIL group issued a total of €9 billion worth of long-term bonds in 2024, with an average maturity of 7.7 years. The total included:

- €6 billion raised on the primary public market, including €0.7 billion via four taps on SFIL and CAFFIL benchmark issues;
- €3 billion in ESG bonds.

Impact of climate risk

As part of its review of climate-themed issues, SFIL identified several stress scenarios to which it could be exposed. These included:

- a fall in ESG issuances due to insufficient green or social loan originations;
- conversely, impossibility for SFIL to satisfy very strong demand for local public sector loans due to the market being flooded with ESG issuances;
- the risk of SFIL falling out of favour with the capital markets due to its reputation being tainted by the financing of unsustainable activities;
- a fall in SFIL's liquidity reserves due to a deterioration in the quality of its assets, mainly sovereign debt and equivalents.

The probability of occurrence of these risks is considered to be both low and remote.

2.7.3.3.3 Group exposure to liquidity risk

The tables below show the maturities of the Group's financial assets and liabilities by contractual maturity date.

Fixed-income securities, loans and debt are broken down by contractual maturity date. Equity investments and mutual funds are included in the "No fixed maturity" column. Demand deposits (assets and liabilities) are shown in the "< 3 months" column. The amounts presented in this table correspond to the balance sheet amounts (including the effects of discounting).

These tables present the balance sheet position at the reporting date; they do not take into account management decisions dealing with maturity mismatches, or the future production of assets and liabilities.

▼ Financial assets by maturity

	31.12.2024					
(in millions of euros)	**< 3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**No fixed maturity**	**Total**
Cash and amounts due from central banks	29,875					29,875
Financial assets at fair value through profit or loss	10,961	4,651	35,247	36,275	135,555	222,689
Hedging instruments with a positive fair value	577	403	262	612	1,941	3,795
Financial assets at fair value through OCI to be reclassified	10,363	28,778	63,117	108,199	22	210,479
Financial assets at fair value through OCI not to be reclassified		31	174	191	45,593	45,989
Securities at amortised cost	2,910	8,919	24,659	51,641	467	88,596
Loans and receivables due from credit institutions and related entities at amortised cost	83,379	2,140	4,222	12,140	3,174	105,055
Loans and receivables due from customers at amortised cost	11,669	18,072	60,966	106,227	373	197,306
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets	(82)	(245)	(1,180)		767	(740)
TOTAL	**149,652**	**62,749**	**187,467**	**315,284**	**187,892**	**903,044**

	31.12.2023					
(in millions of euros)	< 3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total
Cash and amounts due from central banks	44,193					44,193
Financial assets at fair value through profit or loss	17,983	13,454	33,534	36,548	135,785	237,304
Hedging instruments with a positive fair value	77	415	488	506	1,942	3,428
Financial assets at fair value through OCI to be reclassified	7,277	17,607	65,842	112,642	22	203,390
Financial assets at fair value through OCI not to be reclassified		16	163	73	46,159	46,411
Securities at amortised cost	3,175	7,572	22,566	53,313	459	87,085
Loans and receivables due from credit institutions and related entities at amortised cost	93,015	846	2,662	12,604	3,144	112,271
Loans and receivables due from customers at amortised cost	9,118	15,909	60,132	105,112	350	190,621
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets	(81)	(244)	(1,299)	(210)	439	(1,395)
TOTAL	**174,757**	**55,575**	**184,088**	**320,588**	**188,300**	**923,308**

Financial liabilities by maturity

	31.12.2024					
(in millions of euros)	< 3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total
Financial liabilities at fair value through profit or loss	6,395	1,239	3,173	6,848	584	18,239
Hedging instruments with a negative fair value	48	554	927	2,430	3,498	7,457
Debt securities	23,879	13,362	54,653	56,279	2	148,175
Due to credit institutions and related entities	19,650	3,829	5,258	8,324	13,883	50,944
Due to customers	286,721	1,472	1,064	13,605	1,552	304,414
Subordinated debt	41		2,492	6,665	856	10,054
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities	(21)	(62)	(298)		(309)	(690)
TOTAL	**336,713**	**20,394**	**67,269**	**94,151**	**20,066**	**538,593**

	31.12.2023					
(in millions of euros)	< 3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total
Financial liabilities at fair value through profit or loss	5,590	524	2,192	5,618	476	14,400
Hedging instruments with a negative fair value	334	733	1,128	2,638	3,877	8,710
Debt securities	23,555	19,076	48,483	54,757		145,871
Due to credit institutions and related entities	20,607	3,393	4,212	9,263	16,839	54,314
Due to customers	298,129	2,047	1,064	13,301	1,658	316,199
Subordinated debt	32	545	1,443	6,649	815	9,484
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities	(21)	(62)	(329)	(53)	(847)	(1,312)
TOTAL	**348,226**	**26,256**	**58,193**	**92,173**	**22,818**	**547,666**

Maturities of commitments given in respect of financing and guarantees

	31.12.2024				
(in millions of euros)	< 3 months	3-12 months	1-5 years	> 5 years	Total
Financing commitments given	17,256	5,890	14,011	4,665	41,822
Guarantee commitments given	842	1,286	385	1,304	3,817
TOTAL	**18,098**	**7,176**	**14,396**	**5,969**	**45,639**

	31.12.2023				
(in millions of euros)	< 3 months	3-12 months	1-5 years	> 5 years	Total
Financing commitments given	15,893	5,866	12,453	4,546	38,758
Guarantee commitments given	1,681	806	413	1,043	3,943
TOTAL	**17,574**	**6,672**	**12,866**	**5,589**	**42,701**

2.7.3.3.4 Overall interest rate risk

2.7.3.3.4.1 Definition, scope and governance

Interest rate risk arising from non-trading book activities – or overall interest rate risk – is defined as the potential risk resulting from changes in interest rates for all balance sheet and off-balance sheet transactions, with the exception, if applicable, of transactions subject to market risk as described in 2.7.2.2.

Overall interest rate risk is managed and monitored at Caisse des Dépôts in accordance with article 54 of Decree No. 2020-94 of 5 February 2020, which requires the Group to have risk measurement systems in place across its entire scope of consolidation, *i.e.* for each of its relevant entities, and for these systems to be adapted to the nature and volume of their transactions.

Group governance

The ALM teams at Caisse des Dépôts Central Sector and the subsidiaries manage overall interest rate risk within their respective scopes (interest rate gaps, trajectories, NPV sensitivity).

The supervision of interest rate risk is the responsibility of each entity's ALM Committee, which monitors indicators and forecasts trends based on multi-year trajectories and commitment and/or investment policy guidelines. Interest rate risks are generally reviewed on a monthly basis.

Common principles for all the Caisse des Dépôts Group's regulated entities are set out in the Group's financial risk management policy.

The regulated entities of the Caisse des Dépôts Group have a set of procedural documents that set out the interest rate risk indicators and their limits, which must reflect an interest rate risk appetite consistent with the interest rate risk appetite defined at Group level. In order to incorporate their own interest rate risks within the Group's risk appetite, each entity estimates the impacts of multi-year scenarios in the Group's macroeconomic framework.

Entities have IT systems for monitoring their interest rate risk. If necessary, the entities document the method used to set limits. The document sets out the rules for dealing with and escalating limit overruns.

2.7.3.3.5 Measuring and managing overall interest rate risk

2.7.3.3.5.1 Measuring and managing interest rate risk at the Central Sector

The Central Sector analyses assets and liabilities based on three types of interest rates: fixed, variable and contractual. The fixed-rate position is monitored based on the fixed-rate gap – corresponding to the excess of fixed-rate liabilities over fixed-rate assets – and changes in the gap over time as assets and liabilities fall due. The fixed-rate position mainly comprises deposits originating from the legal professions on the liabilities side and fixed-rate medium-term and long-term bond portfolios and fixed-rate loans on the assets side. Deposits are taken into account based on the same run-off assumptions and models as for liquidity calculations.

The current environment driven by rising interest rates has resulted in an improvement in the margin on fixed-rate investments on the assets side of the balance sheet, while the interest on fixed-rate borrowings on the liabilities side remains constant.

Since 30 September 2023, the Central Sector has produced quarterly net interest margin (NIM) projections and sensitivity calculations, based on quarter-end balance sheet data (including swaps), which are used to monitor and manage the interest rate position. These calculations are based on a constant balance sheet, using rolling 12-month data. The results are presented to the Balance Sheet Management Committee (BSMC).

The NIM indicator is calculated as the difference between the institution's interest income and interest expense. It therefore only concerns interest rate instruments (fixed and variable rate) and does not include significant components of the Central Sector's business model (in particular, recurring dividends from its equity portfolio and strategic investments, and recurring rental income from its rental property portfolio).

The NIM calculation at a given date is based on a constant balance sheet, *i.e.* it takes into account the contractual maturities of assets and liabilities and assumes that matured assets and liabilities will be replaced by items with the same characteristics for which the interest rate is the market rate on the replacement date. This means that the structure and size of the balance sheet remains unchanged over the NIM calculation period.

NIM sensitivity corresponds to the difference between the results obtained by applying the central scenario and those obtained from stressed scenarios assuming 200 bps and 100 bps increases/decreases in interest rates.

NIM sensitivity

(in millions of euros)	31.12.2024
-200 bps decrease	337
-100 bps decrease	168
+100 bps increase	(168)
+200 bps increase	(337)

Given the specific nature of the Central Sector's balance sheet, which includes a large proportion of non-interest-bearing assets (equities, strategic investments, property), the NIM gives only a partial snapshot of the Sector's results. The Central Sector's balance sheet structure is unusual in that interest-bearing liabilities always exceed interest-bearing assets.

2.7.3.3.5.2 Interest rate risk measurement and management at La Banque Postale

Overall interest rate risk is overseen and managed by the Balance Sheet Risk department (DPTR-RB), a cross-business risk management unit which reports to La Banque Postale's Group Risk Management division. The department has several goals:

- to map risks, assess the risk management system and propose limits in line with La Banque Postale's risk appetite;
- to provide periodic monitoring of the indicators used to manage La Banque Postale's overall consolidated interest rate risk and that of its banking and insurance subsidiaries;
- to carry out audits of the calculation processes for the various indicators (static and dynamic) and control the integrity of calculated exposures;
- to audit the methodologies used.

This risk is monitored using indicators showing the sensitivity of future margins and economic value to interest rates, and by modelling scenarios which assess the entity's capacity to withstand exogenous shocks. The interest rate movements tested affect both uncertain cash flows from financial products and earnings from Retail Banking operations via behavioural models – particularly implicit options available to customers.

The supervision of interest rate risk is the responsibility of the ALM Committee, which monitors indicators and forecasts trends based on commercial policy guidelines and observed customer behaviour. The interest rate risk indicators are also reviewed by the GRMC. Interest rate risks are generally monitored on a monthly basis.

Objectives

Interest rate risk is managed so as to hedge the sensitivity of La Banque Postale's future net interest margin while ensuring compliance with value sensitivity indicators. A dynamic approach based on the business plan is used, applying interest rate derivatives (hedges) or adjusting commercial policies.

The balance sheet includes implicit and explicit options, leading to non-linear economic values based on interest rates. In this context, ALM proposes the regular rebalancing of structural positions using market instruments.

Scope

As required by the Basel Committee, significant interest rate risks in the banking book are identified and measured. Some of these risks may give rise to a specific follow-up procedure.

Interest rate risk is measured by maturity and by type of index for products dependent on variable or adjustable rates (Euribor, inflation, €STR, etc.), taking into account likely run off conventions, which are themselves dependent on market conditions.

Interest rate risk includes several risk factors:

- fixing risk related to differences between new interest rates applied to assets and to liabilities (depending on baseline rates and maturities);
- yield curve risk related to fixing risk: this is generated by changes in the yield curve (translation, rotation, etc.);
- baseline risks: these are related to the use of multiple baseline interest rates and arise from the imperfect correlation of different curve rates;
- option-related risks (contractual or behavioural);
- risks caused by positions exposed to inflation rates.

The change in the net interest margin is therefore measured by reference to several interest rate scenarios. The interest rate risk on the balance sheet is simulated with dynamic modelling, taking into account future changes in outstanding amounts (early repayments, loan originations, etc.), in accordance with behavioural models and the business plan.

Trading operations executed by the trading desk do not fall within the scope of overall interest rate risk management as the risk associated with these transactions is monitored and managed according to the individual limits for each portfolio. These specific trading desk portfolios are subject to market risk-type limits.

Assessing overall interest rate risk

Agreements and models

The interest rate gap and interest rate sensitivity valuation methodologies used are determined according to the type of assets or liabilities comprising the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk department. Off-balance sheet transactions are included, taking into account drawdown assumptions.

Interest rate gap

The nominal interest rate gap is calculated for fixed-rate transactions and for variable-rate and adjustable-rate transactions up to the next rate review or reset date. The nominal interest rate gap does not take into account interest rate payments.

The interest rate gap is the difference between average fixed-rate liabilities and average fixed-rate assets, including the effects of off-balance sheet items, by maturity.

Interest rate gap by maturity at 31 December 2024

(Negative amount = Surplus uses at fixed rates)

(in millions of euros)	0-1 year	1-5 years	5-10 years	> 10 years
Uses	(165,132)	(105,315)	(55,041)	(7,720)
Resources	140,078	85,569	42,698	4,273
Off-balance sheet	12,969	8,962	6,014	1,557
Interest rate gap at 31.12.2024	(12,084)	(10,784)	(6,330)	(1,891)
Interest rate gap at 31.12.2023	(1,521)	(11,810)	(3,839)	(1,256)
ADJUSTMENTS	**(10,563)**	**1,026**	**(2,491)**	**(635)**

The widening short-term gap is due in particular to the ending of the period for which the interest paid on *Livret A* passbook savings accounts was fixed (rate reset in February 2025). Beyond one year, the gap narrows to a lesser extent: the outflows observed on PEL home savings plans and demand deposits are offset by the use of fixed-rate borrower swaps to hedge balance sheet positions.

EVE (Economic Value of Equity) sensitivity

EVE sensitivity corresponds to the change in economic value resulting from different shock scenarios. It is calculated statically from the contractual maturities of existing balance sheet items, taking into account behavioural models and run-off conventions for items without contractual maturities. The following shock scenarios were modelled:

1. parallel 200 bps increases in short- and long-term rates;
2. parallel 200 bps decreases in short- and long-term rates;
3. steeper yield curve (decrease in short-term rates, increase in long-term rates);
4. flattening of yield curves (increase in short-term rates, decrease in long-term rates);
5. increase in short-term rates;
6. decrease in short-term rates.

EBA guidelines also require banks to apply a regulatory floor for the risk-free rate after a shock. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

Supervisory shock scenarios

EVE

Changes in economic value

(in millions of euros)	31.12.2024	31.12.2023
Parallel increase	-1,963	-1,797
Parallel decrease	+1,408	+1,555
Steepening	-368	-396
Flattening	-248	-9
Rise in short-term rates	-713	-450
Decrease in short-term rates	+458	+463

The least favourable interest rate scenario for La Banque Postale is a 200 bps parallel increase in the yield curve (€1,963 million reduction in EVE, representing -10.7% EVE sensitivity vs Tier 1 capital). The regulatory limit is -15%. For the December 2024 close, the risk of customers withdrawing their savings from demand deposits in the event of a rise in interest rates was modelled based on scenarios simulating (i) parallel increases in long and short-term rates, (ii) a flattening of the yield curve and (iii) an increase in short-term rates. EVE sensitivity increases in these scenarios. This sensitivity is higher than at 31 December 2023.

Net interest margin sensitivity

Net interest margin (NIM) sensitivity is defined as the difference between NIM in a modified interest rate scenario and NIM in a baseline interest rate scenario. NIM sensitivity is calculated for each interest rate scenario taking into account interest rate-dependent behavioural models, and by maintaining levels of loan origination and deposits from the commercial business, along with assumptions related to equivalent financial transactions in the central scenario.

Only behavioural models and floating rate transactions show a reaction to the shock scenario. Their impacts on amounts outstanding modify the level of short-term financing.

Sensitivity is measured using interest rate scenarios with an instant shock relative to the reference curve, including parallel upward and downward shocks of +/- 200 bps.

EBA guidelines also require banks to apply a regulatory floor for the post-shock risk-free rate.

Changes in net interest income

(in millions of euros)	31.12.2024	31.12.2023
Parallel increase	238	165
Parallel decrease	(366)	(194)

In terms of NIM sensitivity, the macro-hedging swaps used to protect lending margins against rising interest rates have a negative impact on downward sensitivity. The model simulating withdrawals of savings from demand deposit accounts triggered by rising interest rates has a negative impact on upward sensitivity.

On a constant balance sheet basis, at 31 December 2024, NIM sensitivity to a +200 bps shock was -0.22%, within the regulatory SOT NIM limit of -5%.

2.7.3.3.5.3 Measuring and managing interest rate risk at SFIL

Governance

Interest rate risk appetite is defined at SFIL-CAFFIL group level by the Board of Directors based on the recommendation of SFIL's Executive Committee.

It is rolled down into a set of monitoring indicators and limits defined by the Market and Balance Sheet Risk division, for the management of fixed-rate risk, basis risk and floor risk. These indicators and limits are reviewed annually.

Risks are managed by the Finance and Financial Markets division's ALM team, which produces monitoring indicators, performs first-level controls and proposes management measures to ensure compliance with limits.

The team's management is overseen by the Market and Balance Sheet Risk division, which performs second-level controls on the most significant indicators and checks compliance with the established limits.

This activity is organised around three committees:

- the Board of Directors, which delegates the definition of risk appetite to the Risk and Internal Control Committee (RICC);
- the Asset-Liability Management Committee (ALCO), which decides on the ALM strategy and oversees its correct implementation based on the management indicators produced for its review;
- the ALM Interest Rate Committee, which prepares all relevant information for the ALCO and implements the ALCO's decisions.

Hedging strategy

Interest rate risk management processes are designed to (i) protect the value of the Group's capital over the long term by monitoring net present value (NPV) sensitivity and (ii) limit short-term income volatility by managing 12-month NIM sensitivity.

Interest rate risk is managed differently at SFIL and CAFFIL in order to take into account the specific characteristics of each entity's balance sheet and businesses.

- SFIL does not accept interest rate risk as an entity. The interest rate risk hedging strategy therefore consists of a quasi-perfect micro-hedge, achieved through:
  - €STR swaps; or
  - for export credit transactions carried out by SFIL, the stabilisation mechanism; or
  - by perfectly matching asset and liability transactions with CAFFIL.

- CAFFIL implements two different interest rate hedging strategies, depending on the nature of the transactions on its balance sheet:
  - a micro-hedging strategy for balance sheet items that are not natively at euro-adjustable rates and that generate a significant interest rate or currency risk due to their nature (currency, interest rate type, notional value, term, etc.). The micro-hedged items are all currency transactions and structured rate securities and loans managed off-the-run. The items hedged are swaps against Euribor or €STR;
  - a macro-hedging strategy for other euro-denominated transactions: SPL loans, cash investments, public and private issues, etc. The macro-hedging strategy is mainly to unwind swaps (liability positions to cover asset positions and vice versa) and set up additional swaps if necessary. These hedges are set up on the market by CAFFIL either directly or through SFIL.

Interest rate risk measurement

Interest rate risk is managed using two types of indicator:

- NPV sensitivity, which measures exposure to fixed-rate risk and, since 1 January 2024, exposure to Euribor floor risk. It is calculated on all fixed-rate and adjustable-rate transactions in the accounts of SFIL + CAFFIL, without any assumptions concerning future originations;
- 12-month NIM sensitivity, which is measured for all fixed-rate and adjustable-rate transactions in the accounts of SFIL + CAFFIL based on the assumption that each transaction is rolled over at maturity so as to maintain a constant balance sheet.

Net present value (NPV) sensitivity

NPV sensitivity is calculated according to eight stress scenarios (the six regulatory scenarios used to calculate outlier sensitivity + two internal scenarios combining both a yield curve inversion risk and a slope risk). A 25% volatility shock is applied to the option risk associated with floors, in accordance with the recommendations of the regulator. The level of the sensitivity indicator, covered by a limit, corresponds to the maximum loss observed in the eight scenarios.

The sensitivity limit was defined by the ALCO at a loss of €80 million, with an RAF early warning triggered at a loss of €70 million.

At 31 December 2024, the maximum decrease in NPV was €16.9 million under the internal scenario of a flattening of the yield curve, compared with a decrease of €12.3 million at 31 December 2023 under the same scenario.

NPV sensitivity at 31 December 2024

(in millions of euros)	**31.12.2024**	31.12.2023	*RAF limit*	*Early warning RAF*
+200 bps	**(6.7)**	(2.8)	(80.0)	(70.0)
–200 bps tiered floor	**19.3**	37.9	(80.0)	(70.0)
Increase in short-term rates	**(14.4)**	5.4	(80.0)	(70.0)
Decrease in short-term rates, tiered floor	**4.9**	10.1	(80.0)	(70.0)
Tiered floor flattening	**(11.6)**	11.1	(80.0)	(70.0)
Tiered floor steepening	**3.2**	4.6	(80.0)	(70.0)
Internal flattening scenario	**(16.9)**	(12.3)	(80.0)	(70.0)
Internal inversion scenario	**4.3**	5.3	(80.0)	(70.0)

Net interest margin sensitivity

The risk to interest income is monitored through the NIM (net interest margin) sensitivity indicator, calculated for (i) a parallel shock of +200 bps and (ii) a parallel shock of –200 bps with a –100 bps floor. NIM sensitivity is calculated on a constant balance sheet over a one-year horizon, by offsetting each repayment or maturity with a new transaction having the same characteristics (amount, maturity, interest rate type) as the original transaction. The interest rates applied to rolled-over transactions are pre- and post-shock forward rates, plus a spread corresponding to budget assumptions.

NIM sensitivity is subject to a loss limit of €3-7 million, with an RAF early warning triggered at a loss of €33 million.

At 31 December 2024, the potential loss was €10 million for a +200 bps increase in interest rates, down €6.2 million compared with 31 December 2023. In any event, the potential loss was below the €37 million limit.

NIM sensitivity at 31 December 2024

(in millions of euros)	**31.12.2024**	31.12.2023	*RAF limit*	*Early warning RAF*
+200 bps	**(10.0)**	(3.8)	(37.0)	(33.0)
–200 bps (tiered floor)	**9.1**	2.0	(37.0)	(33.0)

Management of Euribor basis risk

The basis risk is measured in relation to €STR. It is monitored using index gaps, calculated as the difference between Euribor-indexed assets and Euribor-indexed liabilities. These gaps are subject to a limit for each index tenor, calculated on the average of the various 12-month gaps.

At 31 December 2024, the limits were respected.

Exposure to Euribor basis risk at 31 December 2024

Average gap over one year	31.12.2024	31.12.2023	Limit
1-month Euribor	236	311	[0; 1,000]
3-month Euribor	(424)	150	[(2000); 2000]
6-month Euribor	(818)	(111)	[(2000); 2000]
12-month Euribor	745	147	[0; 1,000]

Impact of climate risk

The climate transition may have a significant impact on certain macroeconomic indicators (growth, inflation, etc.) or financial indicators (rise in interest rates, increased interest rate and exchange rate volatility, etc.).

However, the impact of climate risk on the management of interest rate risk is considered as low due to:

- systematic micro-hedging of structured loans likely to be affected by increased market volatility. In addition, this business is in run-off;
- SFIL's interest rate hedging policy, which consists of limiting the interest rate risk on new flows as much as possible.

2.7.3.3.6 Structural currency risk

2.7.3.3.6.1 Definition, scope and governance

Structural currency risk, excluding trading, is defined as the risk of volatility in profit or equity, whether recognised or unrealised, due to changes in the exchange rate against a reference currency.

Currency risk is managed and monitored at Caisse des Dépôts in accordance with article 54 of Decree No. 2020-94 of 5 February 2020, which requires the Group to have risk measurement systems in place across its entire scope of consolidation, *i.e.* for each of its relevant entities, and for these systems to be adapted to the nature and volume of their transactions.

Group governance

Common principles for all the Caisse des Dépôts Group's regulated entities are set out in the Group's financial risk management policy:

- Caisse des Dépôts entities apply a prudent currency risk management policy. The list of authorised currencies is pre-approved by their governing bodies;
- the entities formalise their currency risk appetite and set their operational limits accordingly. The entities formalise their currency risk hedging strategy and ensure that it is both retrospectively and prospectively effective;
- exposure to currency risk from holding monetary and non-monetary assets and liabilities that are not hedged against currency risk must be contained. Such exposure is deemed to be contained when it can be demonstrated that measures have been implemented such that any impacts from currency fluctuations are low. Any residual sensitivity to currency risk must be reported to the governing bodies;
- the hedging methods are documented and tested using the accounting standards applicable to the entity. The currency risk documentation sets out the rules for dealing with and escalating currency risk overruns.

The ALM teams at Central Sector and the subsidiaries manage currency risk within their respective scopes.

The supervision of currency risk is the responsibility of each entity's ALM Committee, which monitors indicators and forecasts trends based on multi-year trajectories and commitment and/or investment policy guidelines. Currency risks are generally reviewed on a monthly basis.

2.7.3.3.6.2 Measuring and managing currency risk

Measuring and managing currency risk at Caisse des Dépôts (Central Sector)

Caisse des Dépôts' (Central Sector) currency positions chiefly concern four currencies: the USD, GBP, CHF and JPY.

The Caisse des Dépôts' (Central Sector) currency risk hedging policy is to systematically finance foreign currency asset positions through real borrowing (issues) or synthetic borrowing (swaps). Exposure to currency risks on the carrying amount of foreign currency items is therefore fully neutralised. However, unrealised gains and losses on these positions are not hedged. This gap is monitored by:

- performing monthly VaR calculations that take into account extreme risk scenarios, for presentation at meetings of the Balance Sheet Management Committee;
- checking that the impact of exchange rate fluctuations on unrealised foreign exchange gains and losses on the equity portfolio is marginal (see section 2.7.3.2.2.3 "Market risk for the equity portfolio of the Caisse des Dépôts Central Sector", based on annual studies presented to the Balance Sheet Management Committee.

Measuring and managing currency risk at La Banque Postale

The operational foreign exchange risk, related in particular to customer bank transfers and financial activities, is moderate. La Banque Postale's banking balance sheet is managed almost exclusively in euros. Foreign currency market activities carried out by the cash management unit and portfolio-related activities are systematically hedged beyond a specified exchange rate position threshold.

The residual foreign exchange risk arising from the outcome of these transactions is reflected in the book foreign exchange position, which is reported daily. These positions are subject to limits in order to reduce the related risks by clearing them at least once a month with the Treasury Department.

The retail bank's foreign currency operations, which mainly involve international fund transfers, are fairly small.

At 31 December 2024, La Banque Postale's foreign exchange position represented a net liability of €3.8 million, including a net asset of €3.7 million in GBP and a net liability of €0.2 million in USD.

Measuring and managing currency risk at SFIL

The reference currency of SFIL group is the euro; currency risk therefore reflects the change in value of assets and liabilities in any currency other than the euro due to that currency fluctuating against the euro.

The management of transactions denominated in foreign currencies aims to limit exposure to currency risk as far as possible. Debt issues and assets denominated in foreign currencies are hedged by cross-currency swaps at the latest on initial recognition and until their final maturity, thus hedging the currency risk on the nominal value of these assets and liabilities and the related interest streams.

As an exception to this policy, foreign exchange positions that are limited in duration and volume are accepted for operational reasons, particularly in the context of export credit refinancing. This applies in the following situations:

- when the operational cost of processing hedging swaps is too high in relation to the risk to be hedged (the amount of drawdowns recognised in the balance sheet is low, the index to be hedged is not a standard index, etc.);
- when drawdowns made off-balance sheet cannot be perfectly micro-hedged, since the amount and timing of the drawdowns are by definition unknown;
- for unhedged currency margins.

The management process is monitored and controlled by tracking the sensitivity of the euro/currency basis gaps to a 10 bps shock.

At 31 December 2024, the limits were respected.

Euro/currency risk sensitivity at 31 December 2024

(in € millions/10 bps)	31.12.2024	31.12.2023	*RAF limit*	*Early warning RAF*
USD	0.3	(0.0)	5.0	4.0
GBP	0.0	(0.0)	38.0	36.0

The monitoring process is supplemented by quarterly checks of the foreign exchange position to take account of transactions not monitored in the management system (payment of a commission in a foreign currency, settlement of invoices, etc.). The net positions of the main currencies are subject to a very low currency limit.

At 31 December 2024, the limits were respected.

Economic foreign exchange position at 31 December 2024

(in thousands of euros)	31.12.2024	31.12.2023	Limit
USD	749	2,680	3,000
GBP	291	1,390	2,000
CHF	133	155	500

2.7.4 Hedging transactions

A large proportion of the Group's balance sheet items generate interest income and expenses, the amounts of which are exposed to changes in interest rates and, to a lesser extent, foreign exchange rates. This may lead to a risk of changes in the cash flows received by the Group or in the fair value of its assets.

The Caisse des Dépôts Group's Multi-annual Financial Planning Process defines the Group's five-year investment policy by major asset class and by business line (Central Sector and subsidiaries), with a view to managing the resulting changes in the financial ratios (solvency, liquidity, earnings). The multi-annual financial planning process is approved every year by a committee chaired by the Chairman and Chief Executive Officer of Caisse des Dépôts and by the Supervisory Board. The risk appetite procedure rounds out the multi-annual financial planning process, establishing hedging thresholds and limits where necessary, approved by the governing bodies.

2.7.4.1 Risk hedging strategy and objectives

2.7.4.1.1 Type of hedge – management of associated risks

As part of its management of the interest rate and currency risks linked to the asset/liability balances on the balance sheets of its entities, the Group may use derivatives.

Accounting hedge documentation is generally prepared for such economic hedges, except when the hedged items are recognised at fair value through profit and loss. In the latter case, derivatives that are economic hedges of transactions recognised at fair value through profit and loss are not classified for accounting purposes as hedging derivatives but as derivatives held for trading.

Derivatives that form part of a hedging relationship which qualifies for hedge accounting under IFRS 9 and, where applicable, the provisions of IAS 39 concerning portfolio fair value hedges, are classified as either fair value hedges or cash flow hedges.

2.7.4.1.2 Fair value hedges – micro-hedging

A fair value hedge (micro-hedge) is a hedge of the exposure to changes in the fair value of specifically identified financial assets or liabilities.

In a fair value hedge of a financial asset or liability, the effective portion of the gain or loss on the hedging instrument offsets the loss or gain on the hedged item. The difference between the two amounts corresponds to the ineffective portion of the gain or loss on the hedging instrument, which is recognised in the income statement.

The economic relationship between the hedged item and the hedging instrument, to ensure the effectiveness of the hedging relationship that has been established, is created on inception of the hedging transaction. This hedging relationship is generally naturally effective insofar as one of the two legs of the swap accurately reflects the hedged item in terms of amount, maturity and interest rate.

2.7.4.1.3 Fair value hedges – macro-hedging

The Group applies the provisions of IAS 39 adopted by the European Union to macro-hedging transactions carried out as part of the asset/liability management of fixed-rate positions. Macro-hedging is mainly used to hedge entities' structural interest rate risk on fixed-rate financial assets and liabilities. Macro-hedging instruments are mainly interest rate swaps designated as fair value hedges of the Group's fixed-rate assets and liabilities.

2.7.4.1.4 Cash flow hedges: and all-in-one 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 future transactions. Cash flow hedges are used to hedge the interest rate risk on adjustable-rate assets and liabilities. Derivatives used for cash flow hedging fix the amount of future cash flows.

In the particular case of forwards, they act as an “all-in-one” cash flow hedge which is automatically effective because the contract covers both the derivative and the underlying to be delivered (hence the term “all-in-one”).

2.7.4.1.4.1 Hedging instruments

The Group uses several types of hedging derivatives to manage the interest rate and currency risks on its balance sheet items. These are mainly interest rate swaps (exchange of a fixed rate for a variable rate such as Euribor or €STR) and foreign exchange swaps (currency swaps and cross-currency basis swaps).

2.7.4.1.5 Hedged items

The Group hedges balance sheet transactions (both with financial counterparties and customers) using derivatives set up with market counterparties.

These transactions stem from different hedging strategies that aim primarily to hedge the interest rate and, to a lesser extent, currency risk.

2.7.4.1.5.1 Hedged assets

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate bonds and loans, and by the interest rate risk on future cash flows (purchases of long-term bonds).

2.7.4.1.5.2 Hedged liabilities

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate customer deposits (demand deposits, PEL home-saving plan) and fixed-rate bond issues.

2.7.4.1.6 Sources of hedge ineffectiveness

2.7.4.1.6.1 Hedging of a security with a swap

There are two types of fair value hedges:

- **Euribor hedges**: Euribor hedges are valued using a Euribor discount curve for the securities and an €STR curve for derivatives. The use of two different discount curves creates ineffectiveness that will become greater when the €STR-Euribor spread varies over time (ineffectiveness stemming from the changes in fair value of the variable leg of the swap, when this rate is not an overnight rate (like the €STR) but a pre-set rate (like the Euribor)).
- **€STR hedges:** €STR hedges are valued using an €STR discount curve for both the securities and the derivatives. The mathematical hedge is thus perfect between the security and the swap (security discounted using €STR with adjustment of the credit component and swap discounted using €STR), which is why this type of hedge is considered to be 100% effective and no effectiveness test is required.

2.7.4.1.6.2 Macro-hedging

Macro-hedging can become ineffective particularly if any of the hedged items are sold or settled, especially if the early repayment rate exceeds the estimates used when initially setting up the hedges.

Effectiveness tests

Tests are conducted on a regular basis to assess hedge effectiveness.

2.7.4.2 Impact of hedging transactions in the Group’s consolidated financial statements

The impacts of hedge accounting are presented in the consolidated financial statements and in Notes 2.2.1 – Interest income and expense, 2.2.3 – Gains and losses on financial instruments at fair value through profit or loss, and 2.3.2 – Hedging instruments – assets and liabilities.

2.7.4.3 Impact of hedging transactions on the amount and timing of cash flows

The contractual maturities of the notional amount of the hedging instruments are presented in Note 2.3.2 – Hedging instruments – assets and liabilities.

2.7.5 Risks specific to the insurance sector

2.7.5.1 Insurance risk management and monitoring of the financial conglomerate

All of La Banque Postale group's subsidiaries that operate in the insurance sector must meet the applicable regulatory requirements at all times. As head of a financial conglomerate, La Banque Postale group is responsible for ensuring that each of its subsidiaries respects all such requirements. More generally, for all of its insurance businesses, La Banque Postale group makes sure that the risk management procedures in place are consistent with the principles of the Risk Management Operational Policy (RMOP) set out in its Risk Appetite Statement and Risk Organisation Charter.

Insurance is La Banque Postale's largest business line in its new configuration. Exposure to insurance risks mainly concerns CNP Assurances Holding which, since 2023, owns CNP Assurances and La Banque Postale's three legacy insurance subsidiaries (CNP Assurances IARD, CNP Assurances Prévoyance and CNP Assurance Santé Individuelle).

CNP Assurances sells insurance policies to non-La Banque Postale customers either through its partners' distribution networks, or directly in the case of group insurance, both in France and internationally. As a parent company and head of a conglomerate, La Banque Postale is exposed to risks related to its insurance business in France and internationally. On 31 December 2024, the Bancassurance France and International Bancassurance business lines contributed 67% and 16% of business line net banking income, respectively.

In life insurance, changes in interest rates affect the market values of financial instruments, which in turn may affect CNP Assurances' income statement and/or its solvency ratios. They also have an impact on CNP Assurances' current and future profitability by affecting the terms on which policyholders' savings are reinvested or financing is raised, as well as influencing the behaviour of policyholders who may transfer their savings to products offering a more attractive yield or exercise their contractual surrender options.

CNP Assurances' risk factors and their relative importance were largely unchanged in 2024 compared with those analysed in 2023. The geopolitical environment and the application of artificial intelligence could lead to the emergence of new risks, but CNP Assurances and its subsidiaries have the resources and the control systems needed to deal with them.

Surrender risk is defined as the loss of or an adverse change in the value of insurance liabilities resulting from a change in policyholder surrender behaviour. Savings contracts include a surrender option for a contractually fixed amount. Surrender rates depend on how the financial markets perform, the yield offered by competing financial products, policyholder behaviour and their confidence in CNP Assurances and its subsidiaries, and the tax rules applicable to investments in life insurance products. Surrender risks are monitored within a framework which ensures that any creeping rise in surrender rates is quickly flagged up, particularly for CNP Assurance's Italian subsidiaries. In Brazil, pensions, death/disability insurance products as well as those associated with home loans and consumer finance also give rise to a significant cancellation risk.

Currency risk arises from two types of position:

1. Management of portfolios representing customer commitments: most of the CNP Assurances Group entities' portfolios covering insurance liabilities are invested in assets denominated in the entity's functional currency. As a result, the foreign exchange risk is limited;
2. The CNP Assurances group is exposed to currency risk on its operations in Brazil and on the translation of the financial statements of its local subsidiaries. These exposures are more material. The CNP Assurances group is also exposed to currency risk on the profits of its Brazilian subsidiaries and actively manages this risk using hedging instruments.

International subsidiaries submit their financial statements to the group in their functional currency, which corresponds to their local currency. In the consolidated financial statements, the assets and liabilities of international subsidiaries are translated into euros, the Group's presentation currency, using the exchange rate at the balance sheet date.

In the case of the Brazilian subsidiaries, at each balance sheet date, the impact of changes in the exchange rate for the Brazilian real is recorded under "Translation adjustments" in consolidated equity. A positive translation adjustment – corresponding to a favourable currency effect – is recorded if the real has appreciated against the euro and vice versa.

The amount reported under "Translation adjustments" in consolidated equity corresponds to the cumulative net amount of all the translation adjustments recorded since the Brazilian entities were included in the scope of consolidation for the first time.

Non-life insurance: the main risk to which the Group's non-life insurance subsidiaries are exposed is underwriting risk, defined as the risk the insurer takes by providing insurance policies to natural persons and legal entities. An increase in the number of claims and/or a mismatch between the claims anticipated by the insurance subsidiary and the amounts actually paid out to the insured could have a negative impact on the results of La Banque Postale group whose materiality would be contained given the weight of non-life insurance at the level of La Banque Postale group.

Non-life insurance catastrophe risk is the risk of the occurrence of extreme, uncertain and one-off events that may cause substantial damage to insured property. These events, which are playing an increasingly central role, can be caused by the abnormal intensity of a natural hazard or by human intervention.

The CNP Assurances group is exposed to this risk through the property and casualty insurance products sold by its subsidiaries in mainland France and the French overseas departments and regions (CNPAI), as well as its subsidiaries in Brazil.

Nevertheless, given the potentially heavy impact of climate-related property damage claims, a series of risk prevention and mitigation measures have been introduced. These measures include reinsurance programmes that transfer part of the risk to reinsurers in order to efficiently manage the Group's exposure to climate-related property damage claims (comprehensive home-owner insurance, auto insurance, etc.), especially in high-risk areas.

As the head of a conglomerate subject to additional supervision, to support the integrated management of its businesses, La Banque Postale group reassesses its risk map annually to take into account the change in its consolidation scope and risk profile.

2.7.5.2 Types of insurance risks

La Banque Postale's insurance business risks are classified in seven risk families aligned with the risk classification in Solvency II and the conglomerate risk map:

- strategic and business risks (including solvency risk);
- credit and counterparty risks;
- market risk and asset/liability management risks;
- liquidity risk;
- operational (including compliance risks);
- insurance underwriting risks;
- ESG risks.

La Banque Postale group's insurance business is also exposed to the following risks that are common to the entire Group:

- operational risks (outsourcing risks, information and data protection risks, non-cyber IT risks and cyber risk);
- product and customer interaction (financial security and AML-CFT) compliance risk;
- strategic and business risks, covering in particular partnership risk and country risk;
- ESG risks, through the insurance undertakings' investment and insurance activities as well as their internal operations.

The insurance activities of La Banque Postale group's insurance companies expose them to specific technical risks corresponding to the risk of losses or an unfavourable change in the value of insurance liabilities and the risk of a change in expenses. Insurance technical risks include:

a. life/long-term health underwriting risk:
  - life catastrophe risk,
  - termination (surrender) risk,
  - mortality risk,
  - longevity risk,
  - morbidity risk,
  - revision risk;

b. non-life underwriting risk:
  - pricing and reserve risk,
  - termination (surrender) risk,
  - catastrophe risk;

c. health risk (excluding long-term);

d. expense risk.

Depending on the category, these risks evolve in response to macroeconomic developments, the characteristics of the insured portfolios, changes in customer behaviour, changes in climate risk, the occurrence of accidents and public health or regulatory decisions.

The disclosures required by IFRS 17 on risks relating to insurance activities are presented in note 2.4.9 "Insurance risks".

2.7.6 Non-financial risks

2.7.6.1 Operational and compliance risks

2.7.6.1.1 Definition and scope

Operational risk is defined in article 8 of Decree No. 2020-94 of 5 February 2020 as the risk of losses resulting from inadequate or flawed processes, personnel, internal systems or external events.

Operational risk within the Caisse des Dépôts Group is managed in accordance with Chapter IV, Section 9 of Decree 2020-94 of 5 February 2020, and specifically article 133 which requires Caisse des Dépôts to implement policies and procedures for assessing and managing its exposure to operational risk.

For Caisse des Dépôts, compliance risk is defined in article 8-13 of Decree No. 2020-94 of 5 February 2020 as the risk of legal, regulatory or disciplinary sanctions, significant financial losses or reputational damage due to failure to comply with provisions relating to banking and financial activities, regardless of whether these provisions are legal or regulatory, directly applicable national or European provisions, professional or ethical standards, or compliance-related decisions by Caisse des Dépôts. For its banking subsidiaries, compliance risk also includes failure to comply with instructions from the persons who effectively run the undertaking given in accordance with the guidelines of the supervisory body (Decree of 3 November 2014 as amended, adapted to their businesses accordingly).

2.7.6.1.2 Main operational risk factors

2.7.6.1.2.1 Banking and financial non-compliance

The risk of non-compliance with banking and financial regulations creates a reputational risk for Caisse des Dépôts and the Group. In particular, these regulations include:

- regulations governing financial security (anti-money laundering and terrorist financing – AML-CFT), know-your-customer (KYC) obligations, financial sanctions and embargoes;
- rules governing financial ethics (market abuse) and customer protection.

In order to protect itself against this risk, the Caisse des Dépôts Group continues its efforts to strengthen the management of the main causes of this risk (lack of AML-CFT due diligence in business relationships, insufficient training on regulatory requirements, failure to monitor systems and malfunctioning detection tools).

At the Group level, the following risk management measures are deployed:

- ongoing work on its compliance projects;
- improving employee awareness of the issues;
- monitoring by Caisse des Dépôts of AML-CFT measures in place at its subsidiaries, with the implementation of specific resources for supervising AML-CFT risk management (definition of norms and standards, measurement of risk and monitoring of the operation of systems, organisation of AML-CFT information-sharing to strengthen due diligence with regard to customers common to several Group entities, etc.).

More generally, Caisse des Dépôts pays particular attention to the risk of non-compliance with the standards applicable to it following the entry into force of the French PACTE Law (2020). Caisse des Dépôts' ongoing compliance efforts are part of a process of continuous improvement, both within the Public Institution and within the Caisse des Dépôts Group.

2.7.6.1.2.2 External and internal fraud

External and internal fraud is a concern for all Group entities. External fraud (payment media fraud, document fraud, identity theft, data theft) is of particular importance for financial entities whose activities are more exposed (account management, lending, investment, payment media). A close watch is kept on internal fraud at all times.

The internal and external fraud risk management systems cover a very broad range of initiatives adapted to the many different types of fraud and business activities. They cover the three aspects of prevention, detection and cure, and are based in particular on:

- the definition of a normative framework through a Group-level anti-fraud procedure and an anti-fraud procedure at the level of the Public Institution;
- mapping of operational risks, including fraud risk, based on identified processes, activities and potential risk events;
- segregation of tasks, to ensure that responsibilities are shared at process level;
- the definition of a system of delegations of authority that improves accountability, specifies the decision approval chain, and is adapted to employees' level of expertise and experience;
- training and initiatives to raise employee awareness of fraud risks;
- organisation of first-tier controls, including managerial controls, at key stages of processes, and verification of their effectiveness by independent second-tier controls.

2.7.6.1.2.3 Cyber security

Cyber risk is the risk of a cyber attack or cyber crime leading to a critical fault or failure in the IT systems, potentially resulting in a leak of confidential information, a partial or complete halt in production, a loss of strategic opportunity or reputational damage.

In addition, with the exponential growth in cyber risks, linked to various factors and contexts (political, geopolitical, events, etc.) and the development of cybercrime in recent years, systems security crises are becoming increasingly diverse.

The size of the Group and its activities mean that every Group entity must be aware of the cyber threat.

At Group level, the following risk management measures have been deployed:

- roll-out of the Group's information systems security (ISS) policy based on the risk appetite of the Public Institution and its subsidiaries;
- increase in the teams operating on the three lines of defence;
- organisation of regular technical tests (intruder detection tests/bug bounty/Red team) on Caisse des Dépôts' mission-critical assets, in accordance with an audit programme drawn up at the beginning of the year;
- execution of subsidiaries' ISS control plans;
- strategic cyber threat intelligence gathering, covering economic, geopolitical and cyber intelligence.

The main risk management measures deployed at the level of the Public Institution are as follows:

- the development of procedure manuals and documentation describing processes and procedures, including:
  - the Public Institution's ISS policy,
  - addition of an ISS policy covering cloud computing,
  - multi-factor authentication and password procedures;
- an AI management (AIM) tool (GIGA) for reviewing security clearances, offering new functions and the option of implementing segregation of duties (SoD) matrices;
- security alert processing by the Cyber Security & Information Systems department, as part of the process for monitoring sensitive data leaks, using Data Leak Prevention (DLP) or Internet surveillance mechanisms;
- proposing and managing cyber solutions for the Public Institution and its subsidiaries, using secure communication tools designed to protect exchanges of information;
- execution of the Public Institution's ISS control plan.

The Group Risk Management division's Cyber Security department leads a network of CISSOs in the subsidiaries. This network is operational and enables expertise and solutions to be shared, in particular through seminars held twice a year and regular workshops.

2.7.6.1.2.4 IT efficiency

IT efficiency is the risk of a fault in an IT system or an IT project, aggravated by the age of certain systems that have undergone a number of internal upgrades, or by the fact that the Group is the last user of some external tools.

The risk is significant due to the complexity of IT project implementation, which involves certain challenges in terms of organisational efficiency. It especially applies to BtoC activities such as pension payments at the level of the Caisse des Dépôts Central Sector. It also affects the interface between the Group IT systems and overall systems coordination.

The risk management measures deployed include improving the reliability of processes for IT projects and their implementation (use of indicators, documentation) and better coordination, especially via tools such as mapping (IT providers and software) and incident monitoring.

2.7.6.1.2.5 Model risk

This risk corresponds to the potential loss resulting from decisions that may be based primarily on the results of internal models, due to errors in the models' development, deployment or use.

A governance framework is in place in all entities (CDC Group Model Risk Management Principles, regular meetings of model validation committees, independent reviews) and the risk is monitored through a number of indicators (follow up of action plans to implement recommendations made after each review, indicator of the volume of models not covered or not validated).

2.7.6.1.2.6 Third party and outsourcing risk

This risk arises from possible dependency on software suppliers or key subcontractors, especially in the event of default by a supplier or a change in prices.

The risk also relates to the ability to maintain control over activities that are entrusted to third parties on a long-term and routine basis. For Group entities subject to banking regulations, the challenge is also for them to be able to meet their obligations with regard to outsourced services, particularly in terms of the level and quality of formal relations with third parties and the ability to audit the service providers who carry out these services.

At Group level, this risk derives from possible dependency on a subcontractor, especially software providers, or default by a subcontractor. In addition, new products have been introduced amid the economic and health crisis, thereby increasing the Group’s exposure and vulnerability to outsourcing (especially for IT systems).

The risk management measures deployed by the Group entities include:

- ensuring compliance with rules on outsourcing arrangements and in particular essential services (PSEE);
- expansion of purchasing departments, which are becoming more specialised (especially for software);
- diversification of providers and assessments of provider dependence;
- stepping up monitoring (service quality, incident monitoring, first-tier controls and independent second-tier controls of essential services).

2.7.6.1.2.7 Human resources risk

This risk covers (i) the unavailability of people, which would have an impact on business continuity in the event of a loss of key resources or if inadequate resources were available in terms of numbers or skills, and (ii) employee health and safety issues.

All the Group’s entities are concerned by human resources risk. Particular attention is paid to the safety of employees working in non-financial activities who are exposed to the risk of accidents and attacks. Recruitment risk is another focus of attention, due to the lack of suitable candidates for certain jobs in the financial entities or in the services and healthcare sectors.

2.7.6.1.3 Structure and governance of the operational and compliance risk management system

2.7.6.1.3.1 Operational risk management

The Group Risk Management division is responsible for analysing and measuring Group risks.

The Operational Risk Management department within the Group Risk Management division has defined a Group policy for managing operational risks and a network of operational risk correspondents has been created, spanning the Public Institution's divisions and the Group's entities.

Since 1 May 2023, the Permanent Control Function of the Group Risk Management division contributes to the management of operational and compliance risk through a process of continuous improvement of permanent controls (standards, reporting, and compliance controls), in liaison with the Public Institution's divisions and the Group's entities.

Effective 1 April 2024, the operational risk management unit, second-level permanent control unit and cyber security unit were merged to create the Operational Risk, Cyber and Control department.

The Chief Executive Officer has designated the Group Risk Director as the person responsible for the permanent control of Caisse des Dépôts’ AML-CFT system (pursuant to Government Order of 6 January 2021 on AML-CFT systems and controls, articles 15 and 18).

The Legal Affairs, Compliance and Ethics division is responsible for the Group’s anti-money laundering and terrorist financing (“AML-CFT”) programme and anti-bribery and corruption (“ABC”) programme. It also tracks compliance with the principles set out in the Group’s Code of Ethics.

2.7.6.1.3.2 Internal control system

The risk management system is based on three lines of defence that constitute the internal control framework.

First line of defence

The first line of defence consists of the operational divisions. The operational divisions are responsible for the risks arising on their activities. Therefore, based on the respective scopes of the other lines of defence, they are responsible for:

- identifying their risks;
- ensuring they comply with the entity’s risk appetite;
- introducing risk management procedures and corrective actions if necessary.

Second line of defence

The second line of defence consists of a specialist unit whose role is to oversee and coordinate risks. It also comprises one or more units specialised in second-tier permanent controls.

At Group level, the second line of defence consists of the Group Risk Management division and the Compliance department of the Legal Affairs, Compliance and Ethics division.

Each Group entity has a specialist unit that oversees and coordinates its risks. The entities’ risk management units together form the Group Risk Control Function.

The Risk Control Function has sufficient hierarchical authority to carry out its duties in full. If and when it performs tasks not related to the second line of defence, the Function ensures that proper segregation of duties is implemented, so that it can provide the second line of defence with full autonomy.

Third line of defence

The third line of defence consists of a specialised unit whose main role is to provide governance with objective, independent and overall assurance as to the efficacy of the governance and risk management procedures and internal controls and the achievement of risk management and control objectives by the first and second lines of defence.

At Group level, the third line of defence is provided by the General Inspectorate – Group Internal Audit division. See section 2.7.2.3.3. for details.

Operational risk monitoring tools

The risk management, permanent control and compliance divisions of the Group entities, in collaboration with the operational divisions, ensure that adequate control measures are in place to provide reasonable assurance that all operational risks inherent to these processes are managed. A number of different tools have been developed:

Risk maps

For the Caisse des Dépôts Central Sector, the Group Risk Management division works with the operational divisions to produce operational and compliance risk maps, which are updated every year.

The Legal Affairs, Compliance and Ethics division's Compliance department contributes to the mapping of Group Risk Management division's operational and compliance risks and produces two granular compliance risk maps specifically to meet regulatory AML-CFT requirements.

Using their own methods, the Group entities also map their operational and compliance risk, in order to identify the major risks to be matched to permanent controls and the action plans to reduce their probability of occurrence and/or their potential impact.

The major risks identified for the Group are consolidated by the Group Risk Management division and presented to the Caisse des Dépôts Management Committee.

These maps and an assessment of the intensity of the risks (priority zones) provide the foundation for defining the risk appetite and for the Internal Capital Adequacy Assessment Process (ICAAP).

"Event" databases

All control events reported within the Caisse des Dépôts Central Sector are recorded in a centralised database and significant events are monitored by the Group Risk Management division, with the Legal Affairs, Compliance and Ethics division in the case of compliance events.

Significant events are reported by the subsidiaries to the Group Risk Management division and also to the Legal Affairs, Compliance and Ethics division in the case of compliance events. The aim is to consolidate all types of events impacting the Caisse des Dépôts Group, highlight identified system failures, assess the potential or actual related losses and draw up appropriate corrective action plans. The action plans are implemented by the subsidiaries, at their own responsibility.

The second-tier control plan

The Group Risk Management division's second-tier control plan, which uses a risk-based approach, has been deployed in the Caisse des Dépôts Central Sector.

This control plan is designed to test the appropriateness of permanent control and compliance processes in terms of the risks involved and activities performed.

An assessment of the Group Risk Management division's permanent control and compliance processes is presented to the Caisse des Dépôts' Executive Committee and Supervisory Board.

The second-tier control plan is designed using the risk map validated by each operational division of the Central Sector, which identifies the major operational and compliance risks.

The second-tier control plans for the subsidiaries are produced and implemented by their respective permanent control and compliance departments. The Group Risk Management division oversees the correct application of the Permanent Control Charter, particularly in terms of the execution of second-tier controls.

Warning flags

The Caisse des Dépôts Central Sector and the Group subsidiaries have devised a series of indicators, including warning thresholds, to anticipate any deterioration in the quality of permanent controls or operational risk monitoring and control.

2.7.6.1.3.3 Coordinating the AML-CFT compliance programme

In accordance with the French Monetary and Financial Code, Caisse des Dépôts is responsible for setting up an anti-money laundering and terrorist financing (AML-CFT) programme.

The Legal Affairs, Compliance and Ethics division coordinates and supervises the Group's AML-CFT system. It devises the guidelines that must be applied throughout the Group. Caisse des Dépôts has a zero-tolerance policy with respect to AML-CFT compliance risk.

The Permanent Control department of the Group Risk Management division performs AML-CFT compliance checks within the Caisse des Dépôts Central Sector and the subsidiaries, at least once a year.

Caisse des Dépôts has drawn up a country classification of AML-CFT risk based on a series of objective criteria and a pre-determined methodology. Accordingly, more stringent controls are applied to any files relating to high-risk countries.

Caisse des Dépôts has also compiled a blacklist to prohibit investments in Non-Cooperative Countries and Territories *(États et territoires non coopératifs* – ETNC) (see French government and EU blacklist) or countries on the Financial Action Task Force's (FATF) List no. 1 and subject to counter-measures (Iran, Myanmar and North Korea).

2.7.6.1.3.4 Coordinating ethical compliance standards

As it has no appetite for compliance risk, Caisse des Dépôts strictly applies the ethical guidelines set out in the Group Code of Conduct, Group Anti-Corruption Policy and Group Policy on the Prevention and Management of Conflicts of Interest, and the French Public Institution's Code of Conduct. The guidelines have been revised and are accompanied by implementation procedures contained in the ethical standards compendium available on the Caisse des Dépôts intranet.

Caisse des Dépôts has also adopted an anti-corruption policy for the Group and implemented a whistleblowing facility for all subsidiaries concerned, in accordance with law No. 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation (the "Sapin II" law).

2.7.6.2 Contingency and business continuity plan

2.7.6.2.1 Coordinating the contingency and business continuity plan

Continuity planning at Caisse des Dépôts is led by:

- the Group Risk Management division, which develops policies for the Caisse des Dépôts Central Sector to ensure business continuity and maintain operational readiness, sets continuity standards and makes sure they are properly implemented;
- the Corporate Secretary's Office, which is responsible for the operational management of the business continuity plan;
- the divisions, which develop, implement and test their business continuity plans.

The major subsidiaries also use similar systems, in line with their own regulatory obligations.

2.7.6.2.2 Cyber security

Cyber security means all organisational measures and controls and all resources (e.g. human, technical) used to protect the Group's IT assets, comprising its information assets on the one hand and its communication networks and IT systems on the other, from logical attacks via physical or logical security breaches.

The Group Risk Management division defines the Group's IT systems security policy, which applies to Caisse des Dépôts and all subsidiaries within the scope of the risk appetite.

Each entity develops its own security policy incorporating the principles of the Group's IT Security Policy within its own scope, including its subsidiaries and any operational entities. The entities' policies are adapted to the entities' activities, the extent of the risks incurred and their context. They do not affect any of the legal, statutory or contractual provisions applicable to the Group entity or the entities within its scope, especially any secrecy or non-disclosure rules. Within each entity, divisions may design their own specific IT systems security policy, based on the Group policy. These local policies must as a minimum comply with the rules established in the Group policy and comply strictly with the reference framework.

IT systems security is focused on system availability, data integrity and confidentiality, and proof (or non-repudiation) of transmission, represented by the acronym AICP (*i.e.* availability, integrity, confidentiality, proof).

The IT Charter establishes the cyber security principles applicable within the Caisse des Dépôts Central Sector and is binding on every employee. After consulting with the employee representative bodies (CSSCT and CUEP), the charter became effective through a decree signed by the Chairman and Chief Executive Officer.

IT systems security deployment is overseen by the Information Systems Strategy Committee, which meets twice a year.

In addition to internal cyber security measures, the Group also uses an external cyber rating tool to round out its assessment of the external cyber risks threatening its information assets.

2.7.6.2.2.1 A look back at the 2024 Olympic and Paralympic Games

The Paris 2024 Olympics were marked by controversy, but there were no major diplomatic or security incidents, despite them having taken place in a very tense international environment. Organised against a backdrop of war in Ukraine, Russian hybrid attacks, conflict between Israel and Hamas, the threat from Iran and tensions in the China Sea, these Olympic Games were a high-risk event. But the day after the Olympic Games' closing ceremony, on 12 August, French President Emmanuel Macron hailed the event as an opportunity to "show the true face of France", referring to it as "an unprecedented feat in our history in terms of security". The Head of State was delighted that the Paris 2024 Olympic Games had been "a success in terms of security and organisation, as well as a sporting and popular success". Overall, the Paris 2024 Olympic Games went off without a hitch.

France's national cyber security agency, ANSSI, became aware of "141 cybersecurity events affecting entities linked to the organisation of the Paris 2024 Olympic Games". These included 22 "incidents" in which the agency confirmed that "a malicious actor had successfully carried out actions affecting the victim's information system". However, ANSSI stressed that "no cyber event affected the opening and closing ceremonies or the smooth running of the sporting events". The main targets were "government entities, sport, transport and telecommunications", according to the agency. In terms of cyber attacks, three major modus operandi were identified: destabilisation, data leaks and distributed denial of service (DDoS) attacks.

On 31 July, the Prime Minister announced that between 22 and 31 July, 68 cyber attacks were detected targeting the organisation of the Games, including two targeting the Bercy Accor Arena and La Villette Olympic venues.

On 28 July, CDC's Computer Emergency Response Team (CERT) became aware of a message on Telegram from the CombatOsint group indicating that the sponsors of the Paris 2024 Olympics (CDC was mentioned) were going to be the target of cyber attacks.

On 26 July (before the opening ceremony), the pro-Iranian hacktivist group Zeus published the personal data of members of the Israeli Olympic delegation. The data appeared on the group's Telegram channel and was confirmed by the Israeli authorities, who also alerted the French authorities. The data leak was an example of the knock-on effects of the conflict between Israel and Hamas and the tensions between Israel and Iran.

Between 4 and 5 August, the hacktivist group SN_BlackMeta claimed responsibility for a DDoS attack targeting several French organisations, including La Poste and the Ministry for Europe and Foreign Affairs.

On 5 August, La Poste group was targeted, with the laposte.fr website disrupted for around two hours by a DDoS attack. Service was nominally restored at 4.25 pm, although there was an aftershock at 5.00 pm, which had no effect on service availability. The hacktivist group SN_BLACKMETA/DarkMeta claimed responsibility for the attack. They reportedly published a message targeting France and the Olympic Games at the same time.

On 30 July, Microsoft confirmed that it had been the target of a DDoS cyber attack. Although the company did not reveal who was behind the attack, SN_BlackMeta claimed responsibility on its Telegram channel with screenshots to prove it.

Finally, on 9 August, the CDC Group's Computer Emergency Response Team (CERT) observed a number of DDoS attacks with no significant impact on the information system.

All the Group's entities had stepped up their surveillance and the CDCFR CERT had switched to 24/7 mode.

2.7.6.2.2.2 Application of new European regulations: Digital Operational Resilience Act (DORA)

The Digital Operational Resilience Act (DORA) is an EU regulation on the financial sector (banking, insurance) that came into effect on 16 January 2023 and will apply from 17 January 2025.

Banks and insurance companies are increasingly dependent on Information and Communication Technologies (ICTs) to provide their financial services. This leaves them vulnerable to cyber attacks and incidents.

The aim of DORA is to strengthen the operational resilience and security of financial entities by making sure that they are able to stay resilient in the event of serious operational disruption.

We are currently negotiating with France's Treasury Department regarding the date of application of these new regulations to CDC. We have asked for a one-year extension to January 2026. This request does not seem to pose a problem, apart from the fact that the banking and insurance supervisor, ACPR, would like the reporting of incidents to begin in 2025, in the same way as for other financial institutions.

What is new is that the regulations will apply not only to CDC, but also to its information and communication technology (ICT) service providers. This means that an information system is now considered holistically, including services that are outsourced and interconnected with the principal's information system.

As far as the scope of the new regulations is concerned, they apply to financial activities as a whole, and not just to regulated activities subject to ACPR supervision. This means that DORA will apply to our Social Policy Division's benefit payment activities, which are classified as critical.

DORA will also apply to ICDC as a CDC ICT service provider.

The new regulations are based on five pillars:

1. Information and communication technology (ICT) risk management

   The challenge is to establish a robust and documented ICT risk management framework, including identification, assessment and proactive management of technological threats in order to minimise disruption to essential services.

2. Management, classification and reporting of ICT-related incidents

   This pillar consists of establishing processes to detect and classify ICT-related incidents, manage their rapid resolution, and notify relevant stakeholders and regulators in a timely manner to guarantee the required transparency.

3. Digital operational resilience testing

   This pillar consists of designing and regularly executing a programme of operational resilience tests, including advanced tests such as simulated attacks (penetration tests), to ensure that the response to cyber threats is adequate. These advanced tests will be carried out on the entire information system, including outsourced services interconnected to our system, under the supervision of the ACPR, which will determine the tests' scope and timing.

4. Management of risks related to third-party ICT service providers (critical and non-critical)

   This pillar consists of developing an ICT risk management strategy related to third-party service providers, including a centralised register of contracts, integration of specific security clauses, pre-engagement risk assessments, as well as ongoing monitoring and regular audits.

5. Systems for sharing information between establishments

   The challenge is to establish secure mechanisms for sharing information between trusted financial institutions, encouraging the exchange of intelligence on cyber threats and emerging vulnerabilities to improve collective security.

Defining critical functions will be essential in order to determine the scope of application of these new DORA regulations. It will enable us to focus compliance efforts on these functions, ensuring that resilience measures prioritise those areas with the greatest impact in the event of disruption.

A function is critical if it determines:

1. the entity's survival;
2. the entity's compliance with regulatory obligations;
3. the preservation of the entity's B2B image and reputation;
4. the entity's ability to comply with the maximum allowable downtime of 48 hours.

At issue is a subset of the activities covered by the contingency and business continuity plan, which we have grouped into three families: banking activities, cross-business activities and social sector activities.

A gap analysis has been performed to determine our plan's level of maturity with input from all the stakeholders concerned by the DORA compliance project.

The analysis enabled us to identify gaps between regulatory requirements and the current state of our information system and processes, allowing us to prioritise the necessary actions and reduce the compliance risks.

Third-party risk management is the pillar that will require the most effort in terms of compliance as we will have to establish a risk management strategy for ICT service providers, including specific oversight of critical third-party providers. Specific clauses will have to be included in all ICT contracts, resulting in hundreds of renegotiations. It will also be necessary to create a central register of third-party service provider information, including details of contractual relationships, risk profiles, due diligence procedures, audits and so on. Today, these topics are not fully covered, due to gaps in the related computer applications.

We will have to update the risk management framework's documentation and processes to manage and mitigate ICT-related risks, including in the areas of network security, access controls and business continuity.

Some subsidiaries are also subject to the new DORA regulations, including Bpifrance, La Banque Postale, CNP Assurances and SFIL. The DORA programme set up at CDC is also monitoring the progress of subsidiaries' programmes and proposing ways of capitalising on the work already completed, in particular regarding the management of third parties that provide ICT services to more than one Group entity.

2.7.7 Other risks

2.7.7.1 Tax and legal risks

Legal risk is defined by article 8 of Decree No. 2020-94 of 5 February 2020 as the risk of any dispute with a counterparty.

Tax and legal risk comprises all risks related to ignorance, to non-compliance or to misinterpretation of current legislation and may result in lawsuits arising from erroneous application of procedures or regulations.

The Legal Affairs, Compliance and Ethics division analyses and clarifies legal and tax guidelines in order to streamline processes and tighten up management practices. These guidelines apply to all Group operating activities. It is also involved in designing key projects to boost Group-wide legal compliance. It helps the operating divisions and subsidiaries with legal and tax matters in all aspects of their businesses as well as with cross-disciplinary issues such as secure IT development.

Lastly, the Legal Affairs, Compliance and Ethics division monitors litigation risk for both the Public Institution and the Caisse des Dépôts Group as a whole.

2.7.7.2 Environmental risks

Environmental, social and governance (ESG) risks are the risks of any actual or future negative financial impacts of ESG factors on its counterparties or invested assets. ESG risks encompass climate change, biodiversity and social risks as well as risks deriving from counterparties' governance practices.

The assessment and management of ESG risks is a major priority for the Caisse des Dépôts Group.

For the Caisse des Dépôts Group, sustainable development and responsible investment are central to its values and missions. Its goal is to support all regions in their efforts to drive sustainable development and social cohesion. These challenges are described in the Group’s Business Review and Sustainable Development Report and Responsible Investment Report.

Faced with the climate emergency, the Caisse des Dépôts Group is committed to actively supporting the Paris Agreement, in the form of national objectives for combating climate change, as set out in the French National Low Carbon Strategy, which has set a goal of carbon neutrality by 2050.

The aim is to finance an economy compatible with limiting global warming to 1.5°C by 2050, which is reflected in five core principles:

- increasing green financing;
- reducing financing that is harmful to the climate;
- supporting the decarbonisation of companies and asset portfolios;
- assessing and managing climate risk;
- steadily neutralising emissions from internal operations.

2.7.7.2.1 Climate risks

There are two main categories of climate risk:

- physical risks correspond to the risk of financial loss caused by the occurrence of extreme climate events or by the consequences of gradual climate change;
- transition risk represents the risk of financial loss caused by the transition to a low-carbon economy. This can take the form of tax incentives (carbon tax, emissions trading scheme), sector-specific regulations (ban on new internal combustion vehicles from 2035) or changes in consumer preferences.

2.7.7.2.2 Focus on climate risk management within the Public Institution

The Public Institution has drawn up a climate risk roadmap with three priority objectives:

- developing harmonised methodologies for identifying and measuring climate risks across the Public Institution’s entire balance sheet;
- integrating climate and environmental risks into all its financial risk management processes;
- drafting a climate risk management policy, in line with the Group’s climate policy. This policy increases the Group’s resilience to climate risks through commitments to mitigate and adapt to climate change, which reduce Caisse des Dépôts’ exposure to transition and physical risks.

In 2024, the climate risk team worked on the **operational rollout of physical and transition risk scoring tools** in order to:

- refine and update the inventory of the Public Institution’s balance sheet exposures to climate risk (stock view) and include new climate risk indicators in the risk appetite framework;
- provide information on climate risks by counterparty (flow view): the tool will provide estimates of the potential impact on the balance sheet, the income statement and the counterparty’s credit score that will enhance the financial analysis. This information is used to inform investment and financing decisions and determine whether the project takes these risks into account and, if necessary, to propose measures to reduce these risks.

The physical risk scoring tool combines:

- future climate data according to three climate scenarios (Representative Concentration Pathways 2.6, 4.5 and 8.5) for nine climate hazards and three time horizons (2020-2040, 2041-2070, 2071-2100) depending on the geographical location of the assets;
- sector-specific vulnerabilities to different hazards, with some sectors being structurally resilient to the occurrence of a climate event, while others are structurally vulnerable;
- the adaptation measures deployed by the counterparty to reduce its risks and refine the score.

The transition risk scoring tool combines:

- an analysis by sector, including a measurement of each sector's average emissions, comparing their current carbon intensity with the decarbonisation effort that each sector will have to make to achieve net-zero emissions in 2050;
- the transition efforts of the counterparty's host country or the country where the project is located;
- factors specific to the counterparty's actual emissions and its decarbonisation strategy, if any, which are taken into account to adjust the score in order to reflect the level of risk represented by the counterparty as accurately as possible.

These scoring tools were finalised in 2023 and gradually deployed in the business lines as from 2024. The deployment phase will be completed in 2025. The climate risk measurement tools will support implementation of the Public Institution's adaptation and mitigation strategies and ensure that these risks are systematically taken into account when awarding financing.

Results: at 31 December 2024, a very small proportion of Central Sector assets (less than 1%) were exposed to a very high risk of occurrence of physical risks and 28% were exposed to a high risk.

At the same date, 5% of assets were exposed to a very high transition risk and 12% were exposed to a high transition risk, mainly due to exposure to the heavy industry, energy and real estate sectors.

An internal climate stress test covering the period to 2050 was carried out on the listed securities portfolio and on the portfolios of infrastructure and real estate assets included in the Group's prudential model, and also on the Savings Funds' portfolios of listed securities. Three scenarios were used: an orderly transition scenario, a disorderly transition scenario and a scenario based on over 4°C global warming by the end of the century. The physical risk scenario has the greatest impact across all asset classes. This scenario assumes that the transition would not take place or would not be sufficiently ambitious. These impacts are consistent with the economic consequences of climate change in a scenario of sustained greenhouse gas emissions.

A climate risk management policy applicable to the Public Institution and its financial subsidiaries came into force on 1 January 2024. An initial results assessment was carried out at the end of 2024 with all the subsidiaries. This policy sets out the general framework for measuring and controlling climate risks, through the inclusion of climate risks in the Group's risk map, the development of tools to identify and measure risks when the investment or financing decision is made, the organisation of controls into three lines of defence and the phased roll-out of climate risk management measures.

2.7.7.2.3 ESG risk management at La Banque Postale

A materiality analysis was carried out in to identify the short-, medium- and long-term impacts of ESG factors on financial risks. At this stage, the analysis only concerns climate factors. Social and governance factors are due to be added in the target vision.

Work has also been carried out on biodiversity-related risks in order to measure the impacts and dependencies of the Bank and its main business portfolios. La Banque Postale has published its first Climate-Nature report, which complies with the standards of the Taskforce on Nature-related Financial Disclosures (TNFD) and its counterpart, the Taskforce on Climate-related Financial Disclosures (TCFD).

La Banque Postale has also continued its work to measure the financial impact of climate risks and in 2024 it included this impact in its provisions for the first time. In addition to existing sector-specific provisions, climate risk provisions are now set aside for the two main portfolios:

- Corporate portfolio: provisions for transition risk based primarily on the estimated impact of higher carbon prices on the counterparties' solvency;
- Retail home loan portfolio: provisions for physical flood risk and the impact this may have on expected recoveries of loans subject to legal collection procedures.

These dimensions will be refined and expanded at the end of each reporting period and as the system matures.

In 2024, La Banque Postale worked with the Public Institution to include consideration of climate risks as an integral part of its lending decisions through the use of the scoring tools currently being rolled out.

2.7.7.2.4 Climate and environmental risk management at SFIL

SFIL has defined a climate and environmental risk rating methodology to rate the climate and environmental risks of the local authorities in its portfolio (municipalities, groups of municipalities with their own tax status, groups without their own tax status, départements and regions) by applying a rating grid separately to each one.

2024 saw the continued operational deployment of this rating system, for example in the development of ICAAP stress tests. In addition, the procedures for incorporating climate and environmental risk ratings into the local authority loan approval process have been defined and are in the process of being taken into account in lending policies and processes.

SFIL has also implemented a number of initiatives in this area, including:

- development of a qualitative map of the export portfolio's environmental risks by sector;
- definition of indicators based on the footprint of the local public sector loan portfolio and a concentration limit for this portfolio;
- participation in the EBA's Fit for 55 stress test;
- definition and implementation of a training plan for the Bank's teams to raise awareness and understanding of climate and environmental risks.

At the same time, the climate risks associated with export credit transactions have been assessed since the beginning of 2024 using scoring methodologies developed by the Public Institution.

2.8 Related party transactions

Related parties include consolidated companies, the Savings Funds, pension funds and funds managed by Caisse des Dépôts in connection with the National Loan.

2.8.1 Relations between consolidated companies

Transactions and balances existing at year-end between fully consolidated companies are eliminated in consolidation. The following information therefore only concerns intragroup transactions with jointly controlled companies (accounted for by the equity method), and with associates over which the Group exercises significant influence (accounted for by the equity method).

(in millions of euros)	31.12.2024	31.12.2023
Loans	1,446	1,201
Other financial assets[1]	765	1,043
Other assets	40	36
Total assets	**2,251**	**2,280**
Borrowings	342	343
Other financial liabilities	24	36
Other liabilities	5,300	4,838
Total liabilities	**5,666**	**5,217**
Commitments given	**232**	**143**
Commitments received		**87**
Net interest income (expense)	23	20
Net income (loss) from financial transactions	164	135
Net income (expense) from other activities	(598)	(342)
General operating expenses, net of rebillings	(2)	9
Gross operating profit (loss)	**(413)**	**(178)**

(1) Including Bpifrance bonds held by CNP Assurances for €0.7 billion.

2.8.2 Related parties not controlled by the Group

2.8.2.1 Savings Funds

Caisse des Dépôts manages the centralised Savings Funds entrusted to it by the French State.

(in millions of euros)	31.12.2024	31.12.2023
Loans[1]	78,120	79,788
Other assets	59	52
Total assets	**78,179**	**79,840**
Borrowings	6,089	7,445
Other financial liabilities	2,322	2,195
Other liabilities	180	541
Total liabilities	**8,591**	**10,181**
Commitments given	**8,106**	**8,966**
Commitments received	**19,696**	**20,440**
Net interest income (expense)	1,946	1,821
Net income (expense) from other activities	(24)	(19)
General operating expenses, net of rebillings	210	189
Gross operating profit (loss)	**2,132**	**1,991**

(1) Including €63.4 billion in La Banque Postale loans at 31 December 2024 and €64.7 billion at 31 December 2023.
Including €14.7 billion in Central Sector loans at 31 December 2024 and €15.1 billion at 31 December 2023.

2.8.2.2 Funds managed by Caisse des Dépôts

Caisse des Dépôts manages social funds.

(in millions of euros)	31.12.2024	31.12.2023
Other assets	44	45
Total assets	**44**	**45**
Borrowings	1,335	1,238
Other liabilities	47	39
Total liabilities	**1,382**	**1,275**
Commitments given	**9**	**9**
Net interest income (expense)	(30)	(31)
Net income (loss) from financial transactions	(3)	
Income and expenses from other activities	4	3
General operating expenses, net of rebillings	269	269
Gross operating profit (loss)	**240**	**241**

2.8.2.3 Funds managed in connection with the France 2030 Plan

In 2010, Caisse des Dépôts was entrusted with the operational management of the Investments for the Future Programme (PIA), also known as the National Loan or, since 2022, the "France 2030 Plan". The French State has entrusted the operational management of these funds to Caisse des Dépôts with payment into a specific Caisse des Dépôts account at the French Treasury.

At 31 December 2024, these packages break down as follows after payments and after deducting management fees:

	Assets		Liabilities	
	Amounts receivable in respect of current or future cash investments		Amounts payable to the French State in respect of the national loan	
(in millions of euros)	31.12.2024	31.12.2023	31.12.2024	31.12.2023
France Brevets (French patents)	96	96	96	96
Développement technologie (Technological development)	372	466	372	466
Économie sociale et solidaire (Social and solidarity economy)	19	22	19	22
Formation en alternance – Hébergement et Appareil de modernisation (Work-study programme – housing and modernisation)	12	21	12	21
Fonds national d'amorçage (National seed capital fund)	41	58	41	58
Plateformes d'innovation des pôles de compétitivité (Innovation platforms and competitive clusters)	12	12	12	12
Fonds Écotechnologies (Eco-technology fund)	103	132	103	132
Fonds pour la société numérique – Infrastructures et Services (Digital society fund – infrastructure and services)	301	338	301	338
Ville de demain (Tomorrow's cities)	239	271	239	271
Fonds national d'innovation – Culture de l'innovation et de l'entrepreneuriat (National fund for innovation – Innovation and entrepreneurial culture)	1	1	1	1
Projets territoriaux intégrés pour la transition énergétique (Regional integrated energy transition projects)	6	7	6	7
Transition numérique de l'État et modernisation de l'action publique (Digital transition for government and modernisation of public action)	1	1	1	1
French Tech Accélération (Acceleration of French Tech)	162	166	162	166
Partenariat pour la Formation professionnelle et l'emploi (Alliance for vocational training and employment)	23	28	23	28
Fonds Accélération Biotech Santé (Health biotech acceleration fund)	310	310	310	310
Fonds de fonds de retournement (Fund of turnaround funds)	115	120	115	120
Innovation numérique pour l'excellence éducative (Digital innovation for education excellence)	33	35	33	35
Instituts thématiques d'excellence en matière d'énergies décarbonées (Thematic institutions of excellence in decarbonised energies)	29	32	29	32
Fonds de fonds quartiers prioritaires (Fund of funds – priority urban areas)	43	44	43	44
Territoires d'innovation de grande ambition (Regional schemes for ambitious innovation)	302	276	302	276
Territoires d'innovation pédagogique (Regional schemes for innovation in education)	78	103	78	103
Adaptation et qualification main-d'œuvre (Maintain and develop employment in all geographical areas)	84	109	84	109
Sociétés universitaires et de recherche (Academic and research companies)	77	78	77	78
Accélération du développement des Écosystèmes d'innovation performants (Accelerating the development of high-performance innovation ecosystems)	166	179	166	179
Grands défis (Major challenges)	300	300	300	300
Allocated to the PIA4 funds	1,527	1,055	1,527	1,055
PIA3 Plan Innovation Outre-mer (Innovation plan for the French overseas territories)	7	13	7	13
ACCRUED EXPENSES AND DEFERRED INCOME	**4,459**	**4,273**	**4,459**	**4,273**

2.8.3 Remuneration of members of the Supervisory Board, the Chief Executive Officer and the Deputy Chief Executive Officer

For the application of IAS 24, the key management personnel of the Caisse des Dépôts Group are the members of the Supervisory Board and the members of the Executive Committee.

The amounts received by the Supervisory Board members are qualified as indemnities and not remuneration, in accordance with article L. 518-7 of the French Monetary and Financial Code, which stipulates that "these fixed and variable indemnities shall be capped by decree after consulting the Supervisory Board".

For the year ended 31 December 2024, indemnities paid to members of the Supervisory Board amounted to €181,526.

The remuneration of the members of the Executive Committee amounted to €7 million for the year ended 31 December 2024.

2.9 Non-consolidated structured entities

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. This is particularly the case where voting rights relate solely to administrative tasks and the relevant activities are governed by contractual agreements.

A structured entity often has certain characteristics, such as a narrowly defined activity, a precise and clearly defined purpose, and insufficient equity capital to finance its activities without resorting to subordinated debt. Structured entities can take a variety of legal forms, including limited companies, partnerships, securitisation vehicles, collective investment schemes and unincorporated entities.

The following disclosures concern entities structured but not controlled by the Group. They are organised by group of entities with the same or similar business: securitisation, mutual funds and other activities.

Securitisation

Securitisation covers securitisation funds and similar structures that issue financial instruments with inherent credit risk that may be acquired by investors and may be organised in tranches. Securitisation is a financial technique that converts receivables that are illiquid and held to maturity, into negotiable liquid securities.

Investment funds

This activity seeks to meet investor demand by:

- managing funds via structured entities such as collective investment undertakings, real estate investment funds or equivalent vehicles;
- investing insurance premiums received by insurers from policyholders in accordance with the regulatory provisions of the French Insurance Code. The insurance companies' asset portfolios guarantee their ability to fulfil their obligations towards policyholders throughout the life of the insurance policy and both the value of the investments and the investment yield are correlated to the related obligations.

Other activities

This category covers all other activities.

2.9.1 Interests in non-consolidated structured entities

The Group's interest in a non-consolidated structured entity concerns contractual or non-contractual ties that expose it to a risk of variable returns linked to the entity's performance. Its interest may be in the form of equity instruments or debt securities, but may also take the form of a loan, a cash facility, credit enhancement or the provision of collateral or structured derivatives.

The following table provides cumulative information by activity about all entities in which the Group has unrestricted interests:

	Carrying amount at 31.12.2024		
(in millions of euros)	Securitisation	Investment funds	Other activities
Financial assets at fair value through profit or loss	9,159	106,429	68
Financial assets at fair value through OCI	1,945	43	3
Financial assets at amortised cost		484	3,752
Other assets		3	
Total recognised assets in non-consolidated structured entities	**11,104**	**106,959**	**3,823**
Financial liabilities at fair value through profit or loss			152
Financial liabilities at amortised cost		3	
Other liabilities		913	
Total recognised liabilities in non-consolidated structured entities		**916**	**152**
Financing commitments given			4,091
Total commitments given to non-consolidated structured entities			**4,091**
Gross maximum loss exposure	**11,104**	**106,959**	**7,914**
Loss mitigation items			
Net maximum loss exposure	**11,104**	**106,959**	**7,914**

	Carrying amount at 31.12.2023		
(in millions of euros)	Securitisation	Investment funds	Other activities
Financial assets at fair value through profit or loss	8,467	109,968	808
Financial assets at fair value through OCI	1,777		659
Financial assets at amortised cost		405	3,377
Other assets		3	
Total recognised assets in non-consolidated structured entities	**10,244**	**110,376**	**4,844**
Financial liabilities at fair value through profit or loss			233
Financial liabilities at amortised cost		31	
Other liabilities		894	
Total recognised liabilities in non-consolidated structured entities		**925**	**233**
Financing commitments given		40	1,232
Total commitments given to non-consolidated structured entities		**40**	**1,232**
Gross maximum loss exposure	**10,244**	**110,416**	**6,076**
Loss mitigation items			
Net maximum loss exposure	**10,244**	**110,416**	**6,076**

The maximum loss exposure corresponds to the interest recognised in assets and commitments given, less provisions recognised in liabilities and guarantees received.

2.9.2 Disclosures concerning non-consolidated structured entities sponsored by the Group

Sponsored non-consolidated structured entities are defined as funds that are structured by a management company controlled by the Group.

A structured entity is considered to be sponsored by the Group if it has or has had a role in structuring, promoting to potential investors, managing under a discretionary management agreement or implicitly or explicitly guaranteeing the structured entity's performance.

In addition, a structured entity is considered to be sponsored by the Group when its name includes either the name of the Group or one of its subsidiaries.

Income received by the Group from these entities, in which it did not hold any interest at 31 December 2024, amounted to €11 million in 2024 and consisted mainly of non-recurring commissions.

2.10 Employee benefits

2.10.1 Employee benefits expense

(in millions of euros)	31.12.2024	31.12.2023
Payroll costs	(19,262)	(18,161)
Post-employment benefit plan costs	(247)	(340)
Discretionary and non-discretionary profit-sharing	(433)	(397)
TOTAL EMPLOYEE BENEFITS EXPENSE	**(19,942)**	**(18,898)**

2.10.2 Average number of employees at controlled companies

	31.12.2024	31.12.2023
France	221,060	225,308
International	118,577	120,746
AVERAGE NUMBER OF EMPLOYEES	**339,637**	**346,054**

2.10.3 Employee benefit obligations

2.10.3.1 Net employee benefit obligations recognised

(in millions of euros)	31.12.2024	31.12.2023
Assets and liabilities recognised in the statement of financial position		
Present value of funded employee benefit obligation	202	342
Present value of unfunded employee benefit obligation	2,513	2,597
Present value of employee benefit obligation	**2,715**	**2,939**
Market value of plan assets	**(200)**	**(327)**
PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS	**2,515**	**2,612**
Actuarial liability – current	619	272
Actuarial liability – non-current	1,896	2,340

2.10.3.2 Change in employee benefit obligations in the income statement

(in millions of euros)	31.12.2024	31.12.2023
Current service cost – post-employment plans	(114)	(240)
Current service cost – long-term benefits	(52)	(49)
Past service cost (including plan amendments and curtailments)	(5)	385
Gains and losses on plan settlements	1	2
Service cost	**(170)**	**98**
Net interest cost	**(64)**	**(81)**
Actuarial gains and losses on long-term benefits	**3**	**(17)**
POST-EMPLOYMENT PLAN AND LONG-TERM BENEFIT EXPENSE	**(231)**	**-**

2.10.3.3 Change in provision for employee benefit obligations

(in millions of euros)	31.12.2024	31.12.2023
Opening balance	**2,612**	**3,129**
Post-employment plan and long-term benefit expense	231	
Benefits paid	(492)	(559)
Actuarial gains and losses on post-employment plans resulting from:		
• changes in demographic assumptions	(3)	(4)
• changes in financial assumptions	17	53
• experience adjustments	6	20
Actuarial gains and losses on plan assets	(13)	(26)
Social protection and welfare plans[(a)]	291	
Other movements[(b)]	(135)	(1)
CLOSING BALANCE	**2,515**	**2,612**

(a) *Following acquisition of control of La Mutuelle Générale's social protection business, insurance and reinsurance liabilities have been restated for the effects of the La Poste group contract, which has become an intra-group contract leading to the recognition of a liability in accordance with the provisions of IAS 19.*

(b) *Including a €141 million decrease following the reclassification of the Transdev Group as "Liabilities related to assets held for sale".*

2.10.3.4 Breakdown of the provision for employee benefit obligations

2.10.3.4.1 Breakdown of obligations by type

(in millions of euros)	31.12.2024	31.12.2023
Retirement benefits	817	797
Other pension plans	5	42
Other post-employment benefit plans	20	54
Long-term benefits	1,048	747
Part-time retirement plan	625	972
PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS	**2,515**	**2,612**

2.10.3.4.2 Breakdown of obligations by consolidated entity

(in millions of euros)	31.12.2024	31.12.2023
Caisse des Dépôts Central Sector	208	204
La Poste group	2,144	2,143
Transdev Group [(a)]		141
Compagnie des Alpes group	38	33
Icade group	17	16
Informatique CDC	57	28
CDC Habitat group	42	39
Other entities	9	8
PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS	**2,515**	**2,612**

(a) *Reclassification as "Liabilities related to assets held for sale"*

2.10.3.5 Breakdown of plan assets by type

(in millions of euros)	31.12.2024	31.12.2023
Equities	10	41
Bonds	96	131
Other assets	94	155
TOTAL PLAN ASSETS	**200**	**327**

2.10.3.6 Other information on employee benefit obligations

2.10.3.6.1 Weighted average discount rates used to measure retirement benefits

Average discount rate for each consolidated entity	31.12.2024	31.12.2023
Caisse des Dépôts Central Sector	3.18%	3.00%
La Poste group	3.30%	3.00%
Compagnie des Alpes group	3.35%	4.00%
Icade group	3.28%	4.00%
Informatique CDC	3.28%	3.00%
CDC Habitat group	3.10%	4.00%

The discount rate is determined by reference to the iBoxx € Corporates AA 10+ index, which essentially represents the yield on investment-grade corporate bonds.

2.10.3.6.2 Analysis of sensitivity of the provision for employee benefit obligations to a rise or fall in the discount rate

	31.12.2024	31.12.2023
Sensitivity of actuarial liability	**+/-50 bps**	**+/-50 bps**
Amount of provision in the event of a rise in the discount rate	2,476	2,543
PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS AT YEAR-END	**2,515**	**2,612**
Amount of provision in the event of a fall in the discount rate	2,557	2,681

2.11 Statutory Auditors' fees

	31.12.2024			
	KPMG		Forvis Mazars	
(in millions of euros)	Amount	%	Amount	%
Statutory audit, certification, review of the individual and consolidated financial statements	**13.0**	**87%**	**14.6**	**91%**
• Central Sector	0.9	6%	1.0	6%
• Fully consolidated subsidiaries	12.1	80%	13.6	85%
Non-audit services	**2.0**	**13%**	**1.4**	**9%**
• Central Sector	0.5	4%	0.2	1%
• Fully consolidated subsidiaries	1.5	10%	1.2	8%
TOTAL	**15.1**	**100%**	**16.0**	**100%**

	2023			
	KPMG		Forvis Mazars	
(in millions of euros)	Amount	%	Amount	%
Statutory audit, certification, review of the individual and consolidated financial statements	**12.3**	**89%**	**12.7**	**93%**
• Central Sector	1.1	8%	1.1	8%
• Fully consolidated subsidiaries	11.2	81%	11.6	85%
Non-audit services	**1.5**	**11%**	**1.0**	**7%**
• Central Sector	0.4	3%	0.2	1%
• Fully consolidated subsidiaries	1.1	8%	0.8	6%
TOTAL	**13.8**	**100%**	**13.7**	**100%**

The amounts stated are the fees of the Statutory Auditors for the Central Sector of the Caisse des Dépôts Group, and the fees of the same Statutory Auditors for the subsidiaries, excluding the Mazars and KPMG networks.

2.12 Scope of consolidation of the Caisse des Dépôts Group

Caisse des Dépôts prepares separate annual financial statements under French GAAP for each of its constituent sectors: the Central Sector and the Savings Funds.

In addition, Banque des Territoires brings together all of Caisse des Dépôts' resources to promote regional development. It encompasses the operational departments (banking, investing, lending) and is supported by sixteen regional departments with corporate departments (finance, communication, digital strategy and human resources corporate departments). It also includes two subsidiaries, CDC Habitat and SCET, which support regional players in engineering and consulting.

The Caisse des Dépôts Group is unique as a Public Institution with subsidiaries and affiliates that operate in the competitive sector. It publishes consolidated financial statements under IFRS. These combine the financial statements of the Caisse des Dépôts Central Sector and those of the entities over which Caisse des Dépôts exercises exclusive or joint control or significant influence to form the consolidated financial statements of the Caisse des Dépôts Group.

Presentation of the Group's scope of consolidation is organised on the basis of the Group's four business segments. Entities, sub-groups and subsidiaries are thus presented by business segment.

The list of consolidated entities is available at https://www.caissedesdepots.fr/en/you-are-investor (in French only).

At 31 December 2024, the Caisse des Dépôts Group consolidated 1,674 companies in its financial statements. The main companies are listed below.

		31.12.2024			31.12.2023		
GROUPES / COMPANIES	**Country**	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
CAISSE DES DÉPÔTS DIVISION							
CDC (Central Sector)	**FRANCE**	**FULL**	**100.00**	**100.00**	**FULL**	**100.00**	**100.00**
Registered office: 56, rue de Lille 75356 Paris 07 SP, France							
SCET	**FRANCE**	**FULL**	**100.00**	**100.00**	**FULL**	**100.00**	**100.00**
Registered office: 52, rue Jacques-Hillairet 75612 Paris Cedex 12							
CDC HABITAT	**FRANCE**	**FULL**	**100.00**	**100.00**	**FULL**	**100.00**	**100.00**
Registered office: 100, avenue de France 75013 Paris, France							
CAISSE DES DÉPÔTS DIVISION – OTHER ENTITIES							
CDC CROISSANCE	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
CDC EURO CROISSANCE	FRANCE	EQUITY (JV)	47.59	47.59	EQUITY (JV)	47.59	47.59
CDC PME CROISSANCE	FRANCE	EQUITY (JV)	51.01	51.01	EQUITY (JV)	52.02	52.02
CDC TECH CROISSANCE	FRANCE	EQUITY (JV)	35.31	35.31	EQUITY (JV)	35.31	35.31
CDC TECH PREMIUM	FRANCE	FULL	100.00	70.11			
CDC CROISSANCE DURABLE	FRANCE	EQUITY (JV)	50.04	50.04	EQUITY (JV)	50.04	50.04
CDC INVESTISSEMENT IMMOBILIER	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
CDC INVESTISSEMENT IMMOBILIER INTERNE	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
ACEP INV 3	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
COVIVIO BERLIN PRIME	LUXEMBOURG	EQUITY (JV)	24.50	24.50			
DOCKS V3	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
DOCKS V2	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
FONCIÈRE FRANKLIN	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI ADENAUER	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI COURBEVOIE	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
GPI FONCIÈRE EUROPE	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI ILLUMINE	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI ASNIÈRES O DOMAINE	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI DUPONT N9	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI METAL 57	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
GPI FAUBOURG SAINT MANDE	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
GPI ROSIERS MICHIGAN	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
GPINVEST CORBAS	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
GPI MB6	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI IVRY	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00

GROUPES / COMPANIES	Country	31.12.2024 Method	% control	% interest	31.12.2023 Method	% control	% interest
GPI IVRY 1B	FRANCE	FULL	100.00	95.00	FULL	100.00	95.00
GPI IVRY 1A	FRANCE	FULL	100.00	95.00	FULL	100.00	95.00
GPI CORTIS	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
GPI REUILLY	FRANCE	FULL	100.00	99.90	FULL	100.00	99.90
GPI RUE PETIT	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI SFOIA	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI 121 HAUSSMANN	FRANCE	EQUITY (JV)	50.00	50.00			
GPINVEST BELLA APS	DENMARK	EQUITY (JV)	50.00	50.00			
GPINVEST CAUMARTIN	FRANCE	FULL	100.00	80.00			
GPINVEST 43 CAUMARTIN	FRANCE	FULL	100.00	80.00			
GPINVEST PB 10	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPINVEST 25	FRANCE	EQUITY (JV)	50.00	50.00			
KOMBON SAS	FRANCE	EQUITY (JV)	33.33	33.33	EQUITY (JV)	33.33	33.33
LE MARQUIS	FRANCE	EQUITY (ass.)	40.00	40.00	EQUITY (ass.)	40.00	40.00
PBEM – PARIS BATIGNOLLES ÉMERGENCE	FRANCE	FULL	100.00	99.90	FULL	100.00	99.90
PRD MONTPARNASSE 1	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
PRD MONTPARNASSE 2	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
PRD MONTPARANSSE 3	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SAS CHÂTEAUDUN	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
SAS DÉFENSE CB3	FRANCE	EQUITY (ass.)	25.00	25.00	EQUITY (ass.)	25.00	25.00
SAS LA NEF LUMIÈRE	FRANCE	FULL	100.00	87.50	FULL	100.00	87.50
SAS LAFAYETTE	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
SAS PARIS NORD EST	FRANCE	FULL	100.00	79.00	FULL	100.00	79.00
SAS PRINTEMPS LA VALETTE II	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SAS RICHELIEU VIVIENNE(1)	FRANCE	FULL	100.00	83.00	FULL	100.00	83.00
SCI 182 RUE DE RIVOLI	FRANCE	FULL	100.00	99.00	FULL	100.00	99.00
SCI 43-45 RUE DE COURCELLES	FRANCE	FULL	100.00	99.00	FULL	100.00	99.00
SCI ALPHA PARK	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI BATIGNOLLES LOT 09	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI BAUDELIQUE	FRANCE	FULL	100.00	99.66	FULL	100.00	99.66
SCI BOULOGNE ÎLOT V	FRANCE	FULL	100.00	99.00	FULL	100.00	99.00
SCI CUVIER MONTREUIL II	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
SCI EVI-DANCE	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI FARMAN(1)	FRANCE	FULL	100.00	83.00	FULL	100.00	83.00
SCI INNOVATIS II	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
SCI MMV 2013	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
SCI PB10	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI PRINTEMPS LA VALETTE	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI SILOGI	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
SCI TOUR MERLE	FRANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SOLEIL MUNICH GMBH & CO KG	ALLEMAGNE	FULL	100.00	90.00			
ANATOL INVEST HOLDING France SA	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
AIH BV	PAYS-BAS	FULL	100.00	100.00	FULL	100.00	100.00
AIH MONCEAU MARQUIS SA	BELGIQUE	FULL	100.00	97.92	FULL	100.00	97.92
ADL PARTICIPATIONS	FRANCE	EQUITY (ass.)	24.50	24.50	EQUITY (ass.)	24.50	24.50
COMPAGNIE NATIONALE DU RHÔNE	FRANCE	EQUITY (ass.)	33.20	33.20	EQUITY (ass.)	33.20	33.20
CNR SOLAIRE 9	FRANCE	EQUITY (JV)	80.00	80.00	EQUITY (JV)	80.00	80.00
CNR SOLAIRE 10	FRANCE	EQUITY (JV)	80.00	80.00	EQUITY (JV)	80.00	80.00
PREDICA ÉNERGIES DURABLES	FRANCE	EQUITY (ass.)	22.00	22.00	EQUITY (ass.)	22.00	22.00
HIN – ORANGE CONCESSIONS(1)	FRANCE	EQUITY (JV)	55.33	55.33	EQUITY (JV)	55.33	55.33
TONUS TERRITOIRES	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00

		31.12.2024			31.12.2023		
GROUPES / COMPANIES	Country	Method	% control	% interest	Method	% control	% interest
MOVIVOLT[2]	FRANCE	FULL	100.00	89.80	FULL	100.00	89.80
INFORMATIQUE CDC	FRANCE	FULL	100.00	99.95	FULL	100.00	99.95
GPI AUSTERLITZ 1	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPI AUSTERLITZ 2	FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
GPINVEST 28	FRANCE	FULL	100.00	100.00			
GPINVEST 29	FRANCE	FULL	100.00	100.00			
BPIFRANCE GROUP							
Bpifrance	**FRANCE**	**EQUITY (JV)**	**49.32**	**49.32**	**EQUITY (JV)**	**49.32**	**49.32**
Registered office: 27-31, avenue du Général-Leclerc *94710 Maisons-Alfort Cedex*							
LA POSTE GROUP							
LA POSTE *Registered office: 9, rue du Colonel Pierre Avia* *75015 Paris, France*	**FRANCE**	**FULL**	**100.00**	**66.00**	**FULL**	**100.00**	**66.00**
LA BANQUE POSTALE *Registered office: 115, rue de Sèvres* *75275 Paris Cedex 06*	**FRANCE**	**FULL**	**100.00**	**66.00**	**FULL**	**100.00**	**66.00**
CNP ASSURANCES HOLDING *Registered office: 4, promenade Cœur de Ville* *92130 Issy-les-Moulineaux, France*	**FRANCE**	**FULL**	**100.00**	**66.00**	**FULL**	**100.00**	**66.00**
MANAGEMENT OF STRATEGIC INVESTMENTS DIVISION							
Real Estate & Tourism							
ICADE *Registered office: Tour Hyfive - 1, avenue du Général-de-Gaulle CS80472* *92071 Paris la Défense, France*	**FRANCE**	**FULL**	**100.00**	**39.59**	**FULL**	**100.00**	**39.59**
COMPAGNIE DES ALPES SA *Registered office: 50-52, boulevard Haussmann* *75009 Paris, France*	**FRANCE**	**FULL**	**100.00**	**42.77**	**FULL**	**100.00**	**42.34**
Financial Services							
SFIL *Registered office: 112-114, avenue Émile-Zola* *75015 Paris, France*	**FRANCE**	**FULL**	**100.00**	**100.00**	**FULL**	**100.00**	**100.00**
EUROCLEAR HOLDING SA/NV *Registered office: 1, boulevard du Roi Albert II* *1210 Brussels, Belgium*	**BELGIQUE**	**EQUITY (ass.)**	**11.41**	**11.41**	**EQUITY (ass.)**	**10.91**	**10.91**
SICOVAM HOLDING *Registered office: 18, rue La Fayette* *75009 Paris, France*	**FRANCE**	**EQUITY (ass.)**	**33.65**	**33.65**			
EURONEXT N.V. *Registered office: Beursplein 5, 1012 JW Amsterdam, The Netherlands*	**PAYS BAS**	**EQUITY (ass.)**	**8.04**	**8.04**	**EQUITY (ass.)**	**7.32**	**7.32**

GROUPES / COMPANIES	Country	31.12.2024 Method	% control	% interest	31.12.2023 Method	% control	% interest
Infrastructure							
COENTREPRISE DE TRANSPORT D'ÉLECTRICITÉ *Registered office: 69-71, rue de Miromesnil* *75008 Paris, France*	FRANCE	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
HOLDING INFRASTRUCTURES GAZIERES – GRT GAZ(1) *Registered office: 4, promenade Cœur de Ville* *92130 Issy-les-Moulineaux, France*	FRANCE	FULL	100.00	69.49	FULL	100.00	69.49
CORIANCE GROUP *Registered office: 10, allée Bienvenue* *93885 Noisy-le-Grand Cedex*	FRANCE	EQUITY (JV)	49.90	49.90	EQUITY (JV)	49.90	49.90
Services, Transport & Engineering							
EGIS *Registered office: 11, avenue du Centre* *CS 30530 - Saint-Quentin-en-Yvelines* *78286 Guyancourt Cedex*	FRANCE	EQUITY (ass.)	33.81	33.81	EQUITY (ass.)	33.81	33.81
TRANSDEV GROUP *Registered office: 3, allée de Grenelle* *92130 Issy-les-Moulineaux, France*	FRANCE	FULL	100.00	66.00	FULL	100.00	66.00
STOA *Registered office: 151, rue Saint-Honoré* *75001 Paris, France*	FRANCE	FULL	100.00	66.67	FULL	100.00	83.33
SUEZ HOLDING(1) *Registered office: Tour CB21 – 16, place de l'Iris* *92400 Courbevoie, France*	FRANCE	EQUITY (ass.)	19.66	16.98	EQUITY (ass.)	19.66	16.98
EMEIS (1) *Registered office: 12, rue Jean-Jaurès* *92800 Puteaux*	FRANCE	EQUITY (ass.)	27.97	26.08	EQUITY (ass.)	27.97	26.08

Consolidation methods: FULL: full consolidation. EQUITY (JV): equity-accounted joint venture. EQUITY (ass): equity-accounted associate.

*(1) * Including shares held jointly with CNP Assurances.*

*(2) ** Including shares held jointly with La Poste.*

2.13 Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Supervisory Board of Caisse des dépôts et des consignations,

Opinion

In compliance with the engagement entrusted to us, we have audited the accompanying consolidated financial statements of Caisse des dépôts et consignations for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and the French Code of Ethics for statutory auditors for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- Forvis Mazars: the main assignments carried out in 2024 concerned the issuance of letters of comfort within the framework of issuance programs, attestations, and due diligence work.
- KPMG: the main assignments carried out in 2024 concerned attestations and agreed procedures, comfort letters in connection with the updating of EMTN programs or in the context of bond issues, reviews of internal control procedures, accounting and tax consultations, reviews relating to environmental, social and societal data or indicators, authorized tax services in application of the rules applicable to the countries concerned, and limited reviews.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 et R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of non-current assets relating to La Poste's Mail business

Identified risk

The Mail Cash Generating Unit (CGU) corresponds to La Poste's Mail business. It comprises intangible assets (software), tangible assets (processing/sorting machines, installations, IT equipment, etc.) and rights to use leased assets.

These assets are recorded in the balance sheet at cost and depreciated over their estimated useful life as determined by Management. In accordance with the accounting principles set out in notes 2.1.3.9 and 2.1.3.11, they are subject to an impairment test, in the event of an indication of loss of value identified by Management, to determine their recoverable value, giving rise, where appropriate, to an adjustment of their net book value.

CGU without goodwill were tested for indications of impairment. This search resulted in a test being carried out on the assets of La Poste's Mail CGU, and the impairment of all the assets of this CGU was maintained at a total amount of 839 million euros, as indicated in note 2.3.11.3 to the consolidated financial statements.

We considered that the valuation of the fixed assets allocated to La Poste's Mail business was a key audit matter due to the materiality of these assets and the impairments made, the degree of judgment involved in Management's forecasts and estimates in a context of hazards and uncertainties related to the economic environment, and the sensitivity of the valuations to operating, economic and financial assumptions and to the inclusion of a share of the Universal Public Service compensation proceeds.

At December 31, 2024, the assets of the Mail CGU have been fully impaired for an amount of €839 million (including €191 million of intangible assets and €648 million of tangible assets).

How our audit addressed this risk

We assessed the compliance of the methodology used with the applicable accounting standards and examined the methods used to implement the impairment tests.

In particular, we have :

- reviewed the process for identifying indications of impairment;
- compared the value of the net economic assets tested with the underlying accounting items;
- assessed the components of the carrying amount of the CGU and the consistency of the determination of this value with the way in which the cash flow projections were determined for the estimation of the recoverable amount;
- analyzed the forecasting process and the consistency of the cash flow projections with the sources of information available to us, the actual results observed, the data from the Mail Division's budgeting process, and the orientations of the new strategic plan;
- reviewed, with the assistance of our internal specialists, the methodology for calculating recoverable amounts and assessed the reasonableness of the valuation assumptions and parameters used (discount rate, normative growth rate);
- assessed the sensitivity tests performed by management to changes in certain parameters and assumptions;
- reviewed the documentation that led to the inclusion of the universal postal service compensation in the business plan and the portion of this compensation allocated to the Mail activity in the business plan.

Valuation of financial assets at fair value level 3

Identified risk

The group Caisse des dépôts et consignations recognizes in its consolidated financial statements a portfolio of financial assets measured at fair value, which amounted to 482 billion euros at December 31, 2024. For a large part of the asset portfolio, the determination of the fair value of these assets is based on prices directly observable in active financial markets (level 1) or valued using observable data (level 2).

However, the fair value measurement risk is considered to be higher for assets in level 3 of the fair value hierarchy under IFRS 13, which is measured using unobservable inputs (inputs whose value is based on assumptions or correlations that are not based on observable transaction prices for the same instrument at the measurement date, or on observable market data available at that date). These include unlisted equity investments, securitization instruments and hedging derivatives.

These assets are valued on the basis of models, assumptions and data, such as net assets, earnings outlook and discounted future cash flows, that require a considerable degree of judgement from management. Their fair value represents an outstanding amount of 35,7 billion euros as of December 31, 2024. Refer to the note 2.6.2 of the consolidated financial statements.

We deemed the measurement of these level 3 financial assets to be a key audit matter given the significant amount and the sensitivity of their fair value to management’s judgement, particularly as regards the choice of the measurement methods and underlying assumptions to be used.

How our audit addressed this risk

We have:

- assessed the controls associated with the process of valuing financial assets ;
- based on a sample of Level 3 financial assets, in conjunction with our valuation experts:
  - verified that the value estimate, determined by management, was based on appropriate justification for the valuation method, assumptions, and data used;
  - assessed the latest available valuations from experts and fund managers to assess the valuations used by the entity;
  - performed an independent calculation and sensitivity analysis on a sample of structured securities

Valuation of insurance liabilities in application of IFRS17

Identified risk

Of the insurance liabilities recognized in accordance with IFRS 17, net liabilities measured using the BBA (Building Block Approach or General Model) and VFA (Variable Fee Approach) models amounted to €362 billion at December 31, 2024, as presented in notes 2.4.7. to the consolidated financial statements.

The estimation of these liabilities as prescribed by IFRS 17 is based on the following principles:

- determining the best estimate of the present value of future cash flows required to meet contractual obligations towards policyholders. The projection of these future cash flows incorporates assumptions about policyholder behaviour and management decisions. These estimated cash flows are discounted to reflect the time value of money, based on a risk-free yield curve adjusted for an illiquidity premium;
- the definition of the adjustment for non-financial risks, designed to cover the uncertainty over the amount and timing of future cash flows engendered by these risks. To assess this adjustment, the Group has chosen to apply the "Value at Risk" method, and has exercised its judgment in selecting the confidence level and diversification grid applied;
- the "contractual service margin", representing the present value of deferred future profits attributable to shareholders over the term of coverage of profitable insurance contracts, and recognized in the income statement on the basis of the hedging units defined by the Group and appropriate to the groups of insurance contracts in question. The Group has exercised its judgment in adjusting the methodology for determining the hedging units of these contracts, taking into account in the valuation models the expected real yield differential on the investments underlying the commitments, resulting from "real world" financial assumptions compared with those used in actuarial projections in a "risk-neutral" universe.

In view of the long-term nature of the commitments relating to insurance contracts valued using the VFA and BBA models, their high sensitivity to the economic and financial environment, which may have an impact on policyholder behavior, and the significant degree of management judgment involved in the choice of data and assumptions, as well as the use of complex modeling techniques, we considered the valuation of insurance liabilities relating to insurance contracts valued using these models to be a key audit matter.

How our audit addressed this risk

With the assistance of our specialists in actuarial modeling and IFRS accounting principles, our audit procedures consisted in :

- obtaining an understanding of the processes and methodologies defined by the Group's management, as well as the associated governance, to determine, in accordance with the principles of IFRS 17, the best estimate of the present value of future cash flows required to settle contractual obligations towards policyholders under insurance contracts valued using the VFA and BBA models.
- assess the compliance of the accounting policies applied by the Group with the provisions of IFRS 17.
- specifically assess the eligibility of "savings and retirement" insurance contracts for the VFA accounting valuation model, and assess management's correct application of these valuation methods to "savings and retirement" insurance contracts, in compliance with IFRS 17.
- assess and test the key controls implemented by management, including the internal control environment of the information systems involved in data processing. In particular, we assessed the control procedures relating to methodologies, judgments and key assumptions made by management. We also assessed the appropriateness of changes in assumptions, parameters or actuarial modelling processes used in the valuation of future cash flows.
- tested, on a test basis, the main actuarial methodologies, assumptions, and key parameters used in determining estimates of discounted future cash flows, the adjustment for non-financial risks and the margin on contractual services. We have assessed, on a test basis, the reasonableness of these estimates and of the processes used to determine the reversal to the income statement of the period in respect of the adjustment for non-financial risks and the margin on contractual services.
- test, on a test basis, the reliability of the underlying data used in projection models and best estimate calculations of discounted future cash flows.
- perform analytical procedures on changes to identify any significant inconsistent or unexpected variations.
- assess the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Provisions for credit risks for La Banque Postale group

Identified risk

The CDC Group, through La Banque Postale Group, records provisions to cover the risk of losses resulting from the failure of its customers to meet their financial commitments. In accordance with IFRS 9, La Banque Postale Group records impairment losses for expected credit losses (ECL) on bucket 1, bucket 2 and bucket 3 loans.

The expected loss impairment rules require the establishment of a first impairment status representing an expected loss at one year from the origination of a new financial asset and a second status representing an expected loss at maturity, in the event of a significant deterioration in credit risk. Impairments for expected losses (on outstanding loans in buckets 1 and 2) are determined mainly on the basis of models developed by La Banque Postale incorporating various parameters (probability of default or "PD", loss given default or "LGD", forward-looking data, etc.).

In addition, the amount of bucket 2 outstandings and the related provisions were affected by the specific monitoring measures put in place by La Banque Postale on :

- counterparties or business sectors considered to show signs of deterioration for legal entities,
- customers considered to be vulnerable in view of the inflationary context for individuals

Impairment losses are recognized on outstanding loans in default (bucket 3) on an individual or statistical basis. These impairments are assessed by management on the basis of estimated future recoverable cash flows, taking into account the guarantees available on each of the loans concerned.

The valuation of provisions requires judgment in classifying exposures (bucket 2 or 3), in determining future recoverable cash flows and in valuing sectoral provisions, the exercise of judgment being all the more complex given the uncertainty of the effects of the current crisis.

Given the importance of judgment in determining these provisions and the expected deterioration of credit risk due to the inflation context, we considered that the estimate of expected losses on customer loans as of December 31, 2024, was a key audit matter.

The principles applied in respect of credit risk provisions are described in notes 2.1.3.1.4 Accounting principles and valuation methods.

At December 31, 2024, loans and advances to customers at amortized cost amounted to €197 billion, including €133 billion for La Banque Postale Group (note 1.7.3). The associated impairment losses totaled €1.9 billion (note 2.3.6.2). The Group's cost of risk was € -481 million at 31 December 2024, of which € -232 million related to La Banque Postale Group (note 1.7.1).

How our audit addressed this risk

Provisioning of outstanding loans in buckets 1 and 2

On the provisioning models:

- We assessed the frequency of review by the governance of the adequacy of the impairment models and the parameters used for the calculation of the impairments;
- We have assessed the appropriateness of the update of the parameters used for the calculation of impairment as of December 31, 2024;
- We assessed the methods used to take into account the macro-economic context of the year in the methods used to determine model-based provisions and in the sectoral provisioning measures.
- We inspected the documentation underlying the estimation of sectoral provisions.

For a sample of credit files relating to legal entities classified as bucket 2 and included on the "watch list", we performed contradictory calculations of the provision amounts determined by management.

We performed controls on the IT system implemented by La Banque Postale Group for the processing of its customer credit transactions, in particular tests on the general IT controls, interfaces and embedded controls for specific data used for credit risk provisioning.

Provisioning of outstanding loans in bucket 3

As part of our audit procedures, we examined the control procedures relating to the identification of exposures, the monitoring of credit and counterparty risks, the assessment of the risk of non-recovery and the determination of related impairment and provisions on an individual and collective basis.

Our work consisted in assessing the quality of the system for monitoring sensitive, doubtful and disputed counterparties, the credit review process and the system of guarantees valuation.

In addition, for a sample of credit files concerning legal entities, we performed contradictory calculations of the provision amounts determined by management.

Finally, we assessed the appropriateness of the information provided in the notes to the consolidated financial statements.

Valuation of investments in associates and joint ventures

Identified risk

The value of investments in associates corresponds to the percentage interest held in the equity of the corresponding companies, plus any goodwill. This value is subject to an annual impairment test, using a number of valuation techniques and various macro-economic assumptions, including :

- historical data (shareholders' equity, share price) ;
- the use of forecasts (profitability outlook and business plan) ;
- the use of market assumptions, notably the discount rate and the perpetual growth rate.

This is an estimate that requires management to exercise judgment in selecting the items to be considered for the investments concerned. In this respect, we considered that the valuation of investments in associates and joint ventures was a key audit matter.

The item "Investments in associates and joint ventures" represents a total of 28 billion euros in the balance sheet as of December 31, 2024. Refer to the paragraphs 2.1.2.2 et 2.1.3.3 of the Note 2.1. « Principes et méthodes comptables applicables dans le Groupe »

The "share of net income of associates and joint ventures" amounted to 0.93 billion euro. Refer to the note 2.3.10 of the consolidated financial statements.

How our audit addressed this risk

We examined the processes used by the Group to measure the potential need for impairment of equity-accounted investments.

Based on the various methods used by the Group, we have:

- assessed the consistency of the historical financial data used with the data audited by the statutory auditors of the relevant companies;
- examined the forecasts used and assessed whether they were approved by the management bodies of the relevant companies and assessed the consistency of the assumptions used to construct them with past performance;
- involved, where appropriate, our valuation experts to corroborate the macroeconomic assumptions used and the discount rates applied.

With regard to the subsidiaries included in the scope of our audit, we assessed the consistency of the value of the shares retained by the Group with the conclusions of the statutory auditors of the relevant subsidiaries.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications of the information given in the management report of the Caisse des dépôts et consignations.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of the General Section of the Caisse des Dépôts et consignations by decision of the Chairman and the Chief Executive Officer for the consolidated financial statements for the year ended December 31, 2004 for Forvis Mazars and December 31, 2021 for KPMG.

As of December 31, 2024, Forvis Mazars was in the 21rst year of its engagement without interruption, including seventeen years since the securities of Caisse des Dépôts et Consignations were admitted to trading on a regulated market, and KPMG was in the 3th year of its engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the interim Chairman and Chief Executive Officer.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code *(code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risks Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit and Risks Committee, the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, March 18th, 2025

The statutory auditors

Forvis Mazars		KPMG S.A.	
Virginie Chauvin	Gonzague Senlis	Marie-Christine Jolys	Eric Amato

All 2024 annual reports are available at: https://www.caissedesdepots.fr/en/Annual_report_2024

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Note to the reader
The French version of the 2024 Financial Report includes the audited consolidated financial statements of the Caisse des Dépôts Group, the audited financial statements of Caisse des Dépôts Central Sector, and the audited financial statements of the Savings Funds centralised by Caisse des Dépôts. The English version of the report includes solely the audited consolidated financial statements of the Caisse des Dépôts Group. The detailed financial statements for the subsidiaries and for other organisations and establishments managed by Caisse des Dépôts are not presented in this report, but in specific reports prepared by those entities.

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Ensemble, faisons grandir la France