Cofidis GROUP

Activity report 2023

Contents

Editorial

2023 rising to complexity, innovating and preparing for tomorrow

Gilles Sauret
Chairman of the Board of Directors
Cofidis Group

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The year 2023 will remain etched as a further testament of our resilience in an unprecedent global context. Against a backdrop of high inflation and major macroeconomic challenges, Cofidis Group demonstrated exceptional adaptability. Faced with abrupt changes, we acted with determination, which provided confirmation of the strength of our forecasts and the relevance of our strategy.

Apart from turbulence, our ability to remain true to our commitments and our values with our partners and customers, while constantly adapting our offering to their needs, reinforced our market position. The performance of Cofidis Group in 2023, against such an unstable and deteriorated backdrop, confirms the strength of our strategy to generate balanced and responsible growth.

In 2023, Cofidis Group also played an active role in the construction of the 2024-2027 strategic plan Together, Efficiency, and Solidarity of the Crédit Mutuel Alliance Fédérale. Our involvement in this plan reflects our shared ambition of conquest and innovation, guided by the corporate social responsibility and solidarity on our path to success. Our Group, inspired by the “Experience First” project, is fully aligned to this dynamic, ready to contribute actively to reaching these ambitious targets.

I would like to express my sincere gratitude and my pride in all our teams throughout Europe for their commitment, their passion to fly the banner of our brands and their engagement in favour of innovation, which are the genuine pillars of our success. The Great Place To Work awards obtained for the first time in our history in all of our entities, are a testament to the excellence of our employee experience and our shared values.

As we embark on a new strategic phase which will start with the validation of our status as a mission-driven company, I am confident and optimistic in our ability to rise to the challenges ahead. 2023 laid the foundations for a promising future. Our results, obtained thanks to the resilience and the creativity of you all, will enable us to continue to innovate, to grow and to have a positive impact with our customers, partners and company employees.

Buoyed by a proven strategy and a renewed conviction in our purpose, we can move ahead with serenity TOGETHER, contemplate a future of PERFORMANCE for each of our entities, and remain a group that represents SOLIDARITY and commits benevolently to its employees, its customers and its partners. More than ever, I am convinced in the ability of Cofidis Group to continue to make a difference.

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Our strategic alignment with Crédit Mutuel Alliance Fédérale

In a turbulent economic landscape, characterised both by challenges to overcome (market volatility, technological transformations, etc.) and opportunities to seize, Cofidis Group is positioned as a determined player in building a sustainable future. At the end of 2023, we fully aligned with the Crédit Mutuel Alliance Fédérale in the drawing up the 2024-2027 strategic plan: TOGETHERNESS, PERFORMANCE, SOLIDARITY.

This co-construction underlines the importance of our increasing synergies to achieve our shared ambitions. A contributor and driving force of this plan, the Cofidis Group has adopted a strategic vision focused on innovation and corporate social responsibility, ready to transform our current challenges into future successes.

Strategic plan

Crédit Mutuel Alliance Fédérale 2024-2027

Performance in the service of society

3 priority objectives

Attracting new members, customers and penetrating new markets in France and in Europe

Steering an ecological and societal revolution to support the ecological transition of our customers

Accelerating in technologies of the future (generative artificial intelligence, quantum technology) to boost global performance

TOGETHERNESS — PERFORMANCE SOLIDARITY

In 2023, the achievements of Cofidis Group, aligned with the Together, Efficiency and Solidarity principles enabled us to lay the foundations for an ambitious future over 2024-2027 alongside the Crédit Mutuel Alliance Fédérale.

Our strengths to succeed with the 2024-2027 plan

Cofidis Group sources its strength in its unique DNA, and is positioned as an essential international player to contribute to the Crédit Mutuel Alliance Fédérale 2024-2027 plan. Our strengths are numerous and varied:

- **A unique distribution model:** "remote proximity", steered by data, for a customer experience rich in emotions.
- **Mastery of omnichannels:** "100% digital, 100% human", for unequalled simplicity and relational expertise.
- **Efficiency in collection:** combining industrial and relational management.
- **A strong European organisation :** targeting ROI to support our international partners, transferring know-how with a strong HR culture promoting mobility.
- **A cross-discipline vision "Experience First " :** where our multi-cultural dimension is enriched by innovation, cooperation and organisational transformations.
- **Support from the Crédit Mutuel Alliance Fédérale:** a solid group for sustainable support.

Our strategic objectives

Defined in 2023, our objectives for 2024-2027 are committed, ambitious and achievable thanks to the mobilisation of all of our subsidiaries:

1. **Adopting a mission-driven corporate approach:** inspired by the Crédit Mutuel Alliance Fédérale, we will become a mission-driven company in 2024, with clear commitments and indicators defined for all of our entities.
2. **Extending our international reach and our customer base:** we aim to build on our international presence and attract new customers, leveraging our unique model.
3. **Accelerating digitalisation:** faced with increased competition and the expectations of pour partners, targeted investments strengthen our leadership and attract the necessary talents.
4. **Exploring sustainable mobility:** as a driver of this subject, we contribute actively to this strategic area for the Crédit Mutuel Alliance Fédérale, underlining our commitment to the environment.
5. **Supporting the ecological transition:** we support our customers in their ecological approaches while at the same time continuing to reduce our own carbon footprint.
6. **Intensifying synergies with the Crédit Mutuel and the CIC:** this strengthened collaboration will be crucial in expanding our offering and achieving our ambitions.
7. **Prioritising Human Resources:** we will concentrate on gender equality, equal pay, work organisation and strengthening our employer brands to support our growth and our values.

The Executive Committee of Cofidis Group

Gilles Sauret*
Chairman of Cofidis Group and Sole Director of SynerGIE

Operational management and international contacts

Luc-Bertrand Salus
General Manager
Cofidis Spain

Olivier Kling
General Manager
Cofidis Belgium

Nicolas Wallaert*
General Manager
Cofidis France

Alain Colin
General Manager
Monabanq

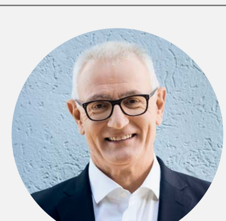
Corporate management

Vincent Laurin*
Head of finance,
risk and legal

Céline Motte
Head of Development
and Customer Experience

Katia Caniot
Head of Human Resources
and Communication

Supervisory Board



Daniel Baal
Chairman of Crédit Mutuel Alliance Fédérale and Chairman of the Cofidis Group Supervisory Board

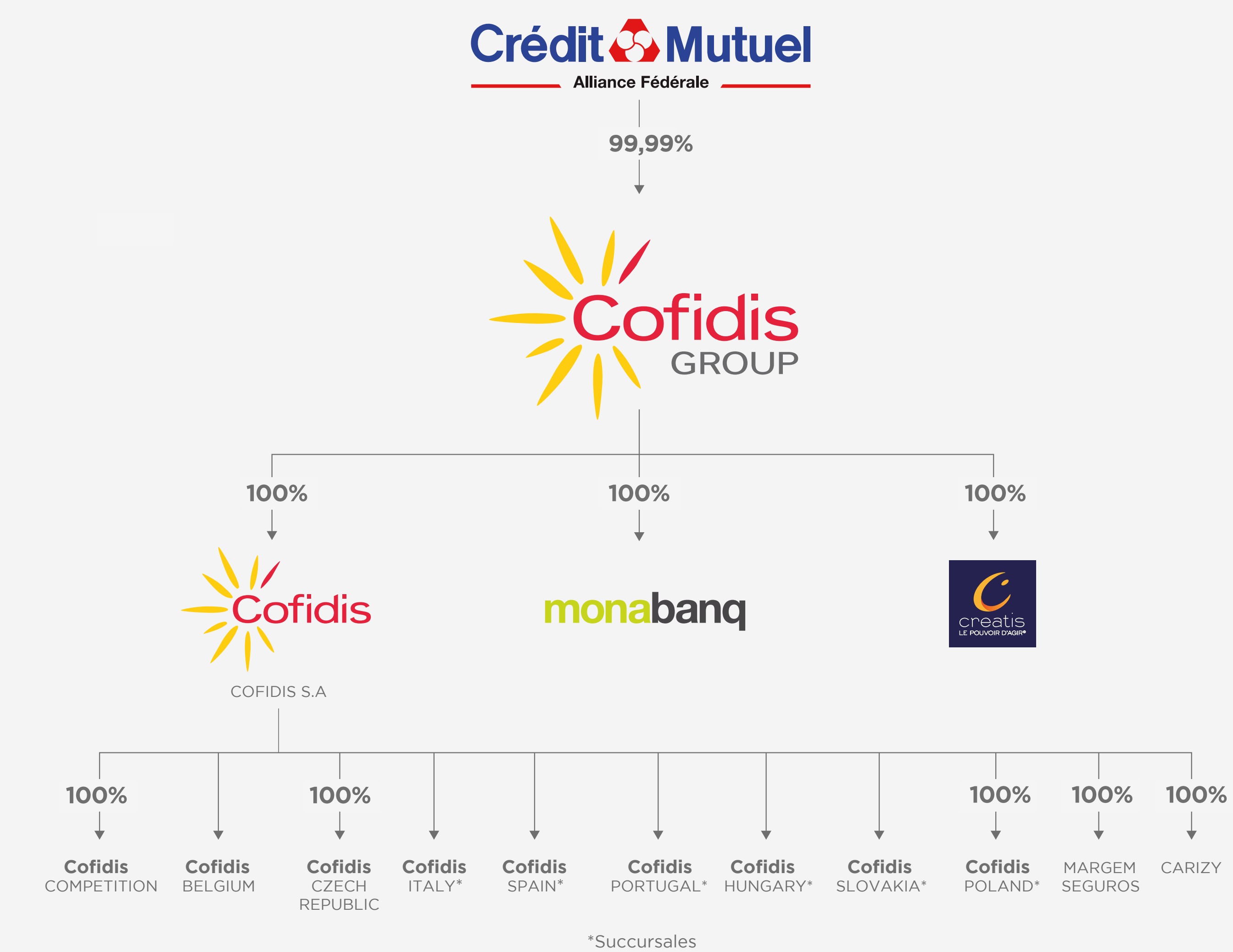
Alexandre Saada
Vice-Chairman of the Supervisory Board

Marie-Laure Barthelemy
Florence Desmis
Isabelle Chevelard
members of the Supervisory Board**

The mission of the Supervisory Board is to ensure proper Group operations and keep shareholders informed.

*Members of the Management Board
**on 3 June 2024

Overview of Cofidis Group governance



synergie is a European Economic Interest Grouping (EEIG) whose members are Cofidis S.A., Monabanq, Creatis, Cofidis Belgium, CCS and Floa Bank.

Cofidis Group

About us

3 brands

Cofidis monabanq creatis LE POUVOIR D'AGIR

1 EEIG

synergie

12 subsidiaries

5,747
employees

12,241,438
customers

5 businesses

- Online credit
- Credit repurchasing
- Insurance
- Online banking
- Multiple payment solutions

9 countries

Belgium
Spain
France
Hungary
Italy
Poland
Portugal
Czech Republic
Slovakia

Our financial performance

€19,691M
Gross outstandings
+8.4% vs 2022

€1,381M
Net banking income
-1.3% vs 2022

€103M
Net profit
-20.3% vs 2022

Our non-financial performance

79%
of employees declare that Cofidis Group is a Great Place to Work
(Great Place To Work Survey 2024)

Social

93%
long-term contracts within the Group

66%
of the Group's workforce are women

24
nationalities among staff

Societal

90
associations supported in Europe

Environmental

In 2023, **Cofidis France** adopted a **methodology to calculate its carbon footprint** and a **transitional action plan.** Work will be deployed in 2024 to all of the group's subsidiaries.

Part 1

A strong community to boost our performance

Diversity

Enriching our community through inclusion and equality

Since its creation, our group has been committed to creating an inclusive experience for all of our employees. Via our #LIKE project (Like Inclusion Keep Engaged), we promote diversity rich in opportunities for all of our employees, which is essential for a company targeting sustainable economic performance. The community we are building daily by fostering gender equality, by committing to young people and the elderly, and by guaranteeing inclusion of people with disabilities, shapes our identity. This strong identity which leverages open-mindedness and mutual commitment is unique and we must preserve it.

Promoting gender equality every day

Our commitment to gender equality is expressed in concrete terms in **our French entities,** with excellent diversity scores, between **93 and 99/100.** This stems, among other things, from the support provided to Force Femmes in retraining women, promoting balanced careers, combating violence via Solfa Solidarité Femmes Accueil, and mentoring of young female college students in priority urban districts with FaceMel. These initiatives, like many others across Europe, are a testament of our determination to promote diversity and equality within our group.

66%
of the Group's workforce are women

Enhancing the experience for our seniors

At **Cofidis Group,** our senior employees benefit from dedicated initiatives to promote their professional fulfilment. In 2023, the entities of **Campus France** rose to the Big Bloom hackathon challenge, exploring solutions to keep seniors at work, and launched workshops to better understand and address their expectations. Through its actions, we continuously seek to adapt our work methods and recognize the value of seniors within our group.

311
senior employees (over 55 years) in France, i.e. 11.4% of the Campus France headcount

Preparing for the future thanks to active support of young talents

Cofidis Group is building the future by actively integrating young people, as reflected in the number of work/study contracts, apprenticeships, internships and summer jobs offered by our entities in **France** as well as initiatives like the Summer Next Generation at **Cofidis Portugal.** This dynamic is strengthened by **the #HappyTrainees** certification of our French subsidiaries, awarded for the 3rd year in a row, highlighting the excellence of the experience we offer our interns and work-study programme students.

424
young new recruits (less than 26 years old)

104
work-study programme students

In 2023, we also broadened our horizons with novel pedagogical partnerships to encourage young people to innovate and excel in a stimulating professional environment: the Dataviz challenge proposed by **IÉSEG** and **Cofidis Spain,** the participation of **Cofidis Czech Republic** in the International Workshop Project Workshop (case study on the Customer Experience), the partnership between **Cofidis Portugal** and Junior Achievement Portugal (steering workshops on financial education in schools). **Cofidis Hungary** for its part, stepped up its commitment with the Nyíregyháza universities (with internships offered and grants for students in difficulty) and Corvinus in Budapest (via open days, mentoring, etc.).

Promoting integration of people with disabilities

The "J'agis" (I act), charter promoted by **Agefiph,** was proudly signed by our French entities, marking another step towards the integration of people with disabilities in digital businesses. 2023 also saw the launch of awareness-raising campaigns as part of The European Week for Employment of People with Disabilities (Semaine SEEPH) and via the collective intelligence project **#GrHandir**, underlining our desire to create employment opportunities. At **Cofidis Belgium,** office ergonomics were redesigned to provide a work environment more suitable for all. For its part, **Cofidis Portugal** dedicated a cafeteria area in its offices to its partner **Café Joyeux,** which employs people with disabilities from the association. Together, we strive to build a more inclusive world, which values each talent within the group.

141
disabled people in France, i.e. 5.16% of the Campus headcount (national average 3.5%)

Our French subsidiaries progress "Together" for LGBT+ inclusion

2023 marked a key stage: 6 employees from **Cofidis France, Monabanq** and **SynerGIE** participated in the first LGBT+ hackathon enabling the emergence of ideas to improve the welcome for all employees, regardless of their orientations and identities. This initiative echoed the signature of the LGBT+ Charter with l'Autre Cercle.

Group intervention in our commitment during the Cité des Entreprises, such as the appointment of Jean-Dimitri Dewavrin as "LGBT+ lead role model" ambassador from among our employees, affirming our pride in being a genuine inclusive employer.

Work environment

Building a stimulating and engaging workplace

At Cofidis Group, we place people at the heart of our processes and strive to create an environment that fosters interaction and collaboration for our employees. Through various initiatives in the four corners of Europe, we take care of our teams while also attracting new talents. We have developed attractive and differentiated employer brands which reflect our desire to give everyone the opportunity to grow and flourish. Active players in their own destiny, our employees participate in a co-construction dynamic, where community and collaborative spirit shapes our work environment.

Encouraging friendliness and exchanges

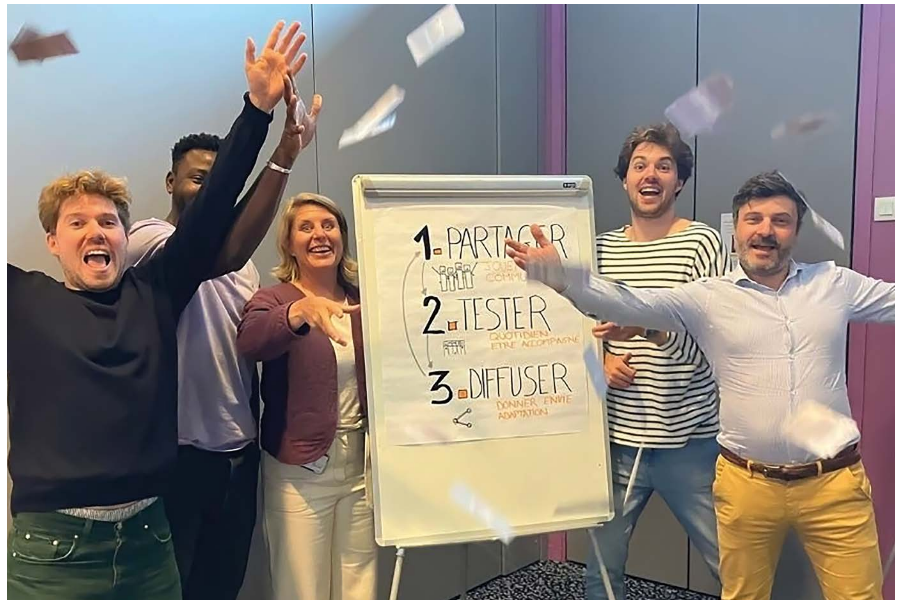
Within our group, moments of sharing between employees and with managers play a key role in building a friendly work environment. Via the **inter-subsidiary events** such as the **United Campus,** the **Sport&Games Trophy** as well as annual local conventions, open days, **all of our subsidiaries** initiate their own approaches enabling the reinforcement of links and team spirit at their level, but also at the international and group level.

Optimising the work space to promote innovation and well-being

Throughout Europe, we are redesigning our work places to enhance the quality of life at work and boosting collective intelligence, as illustrated with the recently renovated Venus building on our **Campus in France,** symbol of modernity with its flex office spaces, for example. Similar initiatives were launched at **Cofidis Portugal** and **Cofidis Belgium,** with the creation of spaces for meditation, sporting activities and training, thereby promoting the flexibility, collaboration and well-being of our teams.

Changing management practices with gamification

Gamification enables us to integrate avant-garde management strategies in the heart of our corporate culture, offering a fun and engaging approach to skills development. At **Cofidis Italy,** the Manager Lego training programme, for example, invites managers to reflect on their role with games, promoting innovation and interaction in their management approach. This methodology transforms learning into an immersive experience, encouraging participants to take initiatives and promoting personal development through gamification.



The Management Odyssey in France continues:

In 2022, **SynerGIE** sponsored the Management Odyssey of two young French managers in pursuit of innovative management practices throughout the world.

Inspired by the debrief of these innovations, this year, our French subsidiary transformed these discoveries into a game: **"Management escape"** in collaboration with explorers Romain and Clément Meyer as well as Thomas Bouchard.

It enables teams to experiment new management practices in the field. This game is being tested within our group and will soon be commercialised. In 2024, **SynerGIE** will continue to support project proponents in a new French expedition.

Promoting employee well-being through health and sport

True to the equation 1 happy employee = 1 happy customer, we wanted to offer our teams the resources to achieve both professional and personal fulfilment. The Quality of Life and Working Conditions Week in France with cancer prevention initiatives for **all the French entities** and **Cofidis Italy,** underlines our desire to take care of both the physical and mental well-being of our employees. The location of our sporting infrastructures close to nature in our various campuses in **France**, in **Portugal** and in **Hungary** promotes a healthy lifestyle in a work environment where each employee feels supported and valued.

Standing out with employer brands

By placing people at the heart of our development, certain of our entities have created an appealing employer brand, to attract new talents. The collaborative campaign at **Creatis** for the official launch of its employer brand, like the campaigns on Gen Z social media such as TikTok and Snapchat launched by **Cofidis France**illustrate our modern and inclusive approach. These actions echo initiatives by **Monabanq,** winner of the 2024 Communication Award for its employer brand campaign. The employee experience is also initiated right from the recruitment stage with our unique "CofiExperience" onboarding at **Cofidis Italy,** or the pre-onboarding Workelo tool from **Cofidis Belgium** to ensure engagement and efficient integration of new arrivals. We are convinced that our commitment to building a promising future for the group and its employees attracts candidates motivated by our values and our vision.

Quality of life at work

Celebrating the excellence of our work environments

For the first time, all of our subsidiaries throughout Europe were awarded the Great Place to Work® certification. This recognises our commitment to placing our employees at the heart of our strategy. It also illustrates our determination to offer an exceptional work environment, where each employee can develop within a motivating and benevolent environment that favours innovation and collective performance.

Promoting the Employee Experience

Great Place To Work®

It's a first! In 2023, **Cofidis Group** achieved a major milestone **obtaining Great Place to Work®** certification for its **12 subsidiaries.** These distinctions underline the relevance of our actions to promote the development of all of our employees, to offer them an enriching human experience, based on trust and benevolence.

86%
participation rate

79%
of employees declared that their Group is the best place to work (+5pts vs 2021)

Best Workplaces™ 50 à 250 salariés Great Place To Work® FRANCE 2024

After the Great Place to Work® certification, our French subsidiaries **Cofidis France, Creatis** and **SynerGIE** also shone at the **Best Workplaces®** awards, which recognises the best management practices and the exceptional quality of the work environment.

In the 250 to 1,000 employee company category

Creatis
23rd in the BWP 2024 ranking

SynerGIE
26th in the BWP 2024 ranking

In the 1,000 to 2,500 employees company category

Cofidis France
8th in the BWP 2024 ranking

Focus on our work spaces in Europe

Cofidis Slovakia

Cofidis Belgium

Campus Cofidis Group in France

Natura Towers Cofidis Portugal

Our 12 subsidiaries obtained the Great Place to Work® certification

Testimonial from our HR Director

"**The Great Place To Work® certification granted to our 12 subsidiaries is a first and a major success for the CofidisGroup.**

Proof that our vision of excellence in the employee experience has genuinely become a reality. This recognition strengthens our employer brand and fosters a human and motivating corporate culture. It also has a positive impact on HR strategy, as it pushes us to constantly evolve and improve our actions, inspired by employee feedback."

Katia Caniot
Head of Human Resources and Communication Cofidis Group
Cofidis Group

"**In the growth dynamic we are currently experiencing, this label boosts our reputation and confirms our status as an employer of choice, particularly attractive to young talents.**

It highlights our open and transparent communication with our employees and recognises our community as well as our management practices, all factors that boost the confidence and pride in being part of the company and the group."

Anne-France Galet
Employee Experience Director
Monabanq

"**This is a source of pride for all of our teams!**

This label is concrete proof of the efforts of all of the company to foster engagement for several years. We listen and actively involve our employees in building our work environment together. It is thanks to them that our employer brand will be recognized as a model of sustainability and inclusion."

Elena Aurelie
Human Resources Director
Cofidis Italy

"**Our GPTW certification is an essential tool in attracting and retaining talents.**

It improves our visibility as an employer of choice who commits to the well-being of our employees: a factor that is particularly recognised and appreciated in the Polish work market."

Magdalena Antas
Human Resources Director
Cofidis Poland

"**This label challenges us.**

It legitimises our approach, this label challenges us to adopt a logic of continuous improvement of our HR initiatives and the employee experience. The same is true for the employee feedback we receive, which inspires our corporate action plans."

Carolyne Osinski
Employee Experience Director
Cofidis France

What new employees think of it across Europe

Obtaining GPTW certification is a responsibility which we honour daily which must reflect our promises.

We are always striving to value each achievement, each person for what they are and what they can offer.

Alice Carolina Costa
IT Transformation Manager
Cofidis Portugal

Our friendly environment is a reflection of the open-mindedness and solidarity that prevails in our group.

These results clearly illustrate all of the energy that is deployed to ensure your fulfilment on a daily basis.

Miguel Mestdagh
Head of Communication
Cofidis Belgium

In our company, you can feel the welcoming culture every day, as if it were in the air!

At the Human Resources department, we nourish this pleasant atmosphere by carefully addressing employee needs.

Andrea Balog
HR Business Partner
Cofidis Hungary

At Cofidis, we are treated with respect and attention.

This well-deserved certification underlines this! And I am honoured to be an ambassador of this recognition.

Iván Cuenca
Sales Manager la Cone Centre-Sud Partenaires
Cofidis Spain

I am truly proud of it!

In particular to be able to make people aware of our unique and welcoming culture outside the group. It also contributes very positively to the development of a pleasant work atmosphere in-house.

Michel Nahed
Head of Product Communication & Marketing
Creatis

Although less-known locally, this certification guides our efforts to improve our interactions and processes between departments.

Thanks to numerous changes, we are creating an ever-more efficient work environment.

Roman Nemeth
Process Expert
Cofidis Slovakia

Being valued as an employee.

Working in a GPTW, means being supported during the good times but also during the bad times and being valued for our contribution to this healthy and balanced work environment.

Isabelle Dereumaux
Lawyer at the Group Legal Department
SynerGIE

We operate in a friendly environment where team spirit, authenticity and trust are at the heart of our daily activities.

This certification recognises our solid corporate culture and reinforces our commitment.

Jana Mickova
HR Business Partner
Cofidis Czech Republic

Mission-driven company

Building the future of our group together

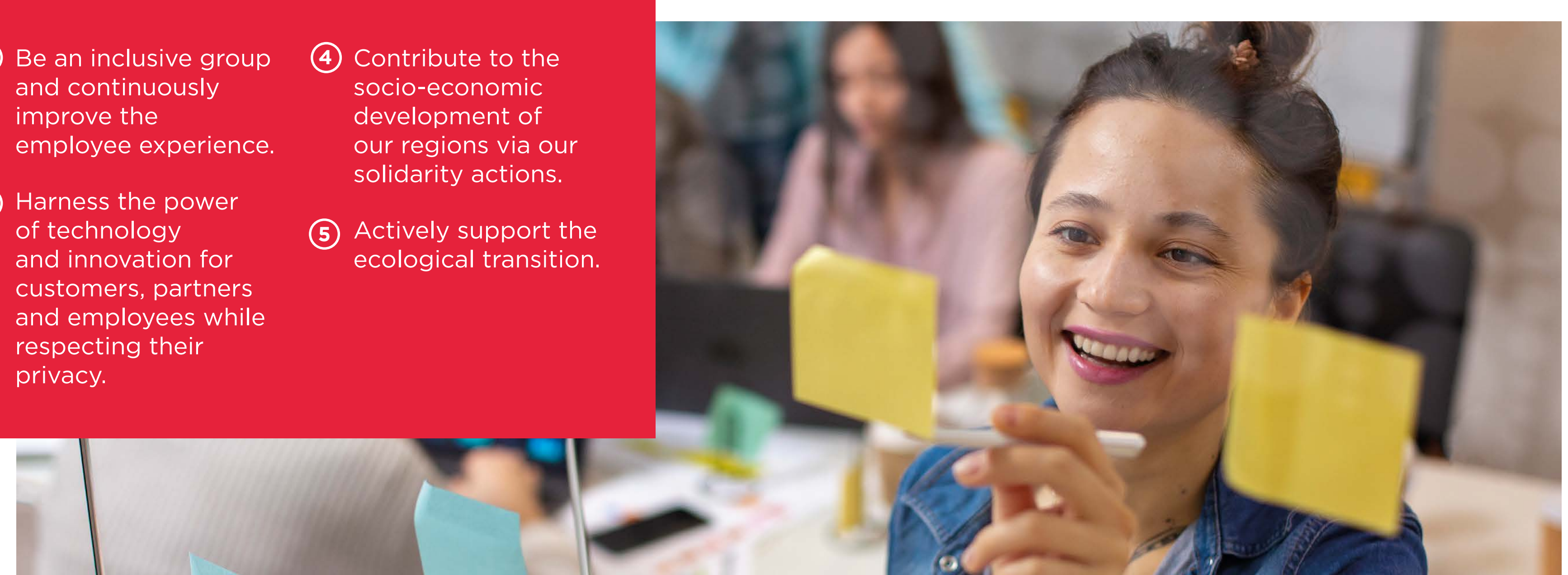
Faced with economic, social and climate challenges, our group took the bold choice to become a Mission-driven Company. This strategic shift reflects our desire to combine meaning with performance, by building a sustainable world alongside our customers, partners and employees. Against this backdrop, trust and authentic values are essential. We are determined to act in line with strong, sincere and proven commitments, for a responsible future. We are ready to rise to the challenges of the future.

Affirming our ambition: becoming a mission-driven company

Our decision to become a mission-driven company marks a major step in our transformation. It reflects our profound commitment to sustainable integration of human, social, environmental and technological challenges at the heart of our business.

5 missions

1. Conduct our credit and financial services responsibly, and continuously improve the day-to-day experience of customers and partners alike.
2. Be an inclusive group and continuously improve the employee experience.
3. Harness the power of technology and innovation for customers, partners and employees while respecting their privacy.
4. Contribute to the socio-economic development of our regions via our solidarity actions.
5. Actively support the ecological transition.



Ready to engage and unite our strengths to build the future together

Our transition to a Mission-driven Company is anchored in an **unprecedented collective approach** and a strong commitment from our stakeholders.

To enact this change, we have set up an organisation, with:

- governance at the EXCOM level,
- Mission-driven company deployment coordinated by **Nicolas Wallaert,**
- a coordination team to steer and monitor work,
- a Mission Committee in relations with Independent Third-Party Bodies.

This enables us to have a shared and cross-discipline vision, to define **strong and shared proof.** It is based on **5 work groups each including 8 employees from the different Cofidis Group entities.**

Over 4 months, these 5 teams completed **acculturation sessions**, debating on sector challenges and sharing visions and aspirations. This dynamic enabled the elaboration of a roadmap and our key performance indicators, thanks to collaboration with the EXCOM and the management committees.

A consultation phase ensured the inclusivity of our approach, collecting insights from employees and approval from management, under the careful eye of expert external partners like **the community of mission-driven companies.** After global steering, the deployment in subsidiaries is steered by each management committee.

"When we embraced the status of mission-driven company, we knew that this marked the start of a profound transformation, going way beyond a mere initiative. This major change, which is at the heart of our group's DNA, introduces a new way of thinking and acting which guides our actions and our decisions. We wanted to define missions which resonate with our values and mobilise all of our employees. The engagement of everyone was key : innovative ideas enriched our vision. Together, we brought this ambition to life. We are now shaping a more meaningful future for the Cofidis Group, a future anchored in a profound collective engagement and a desire to act significantly."

Amélie Thoreau

Maria Silva

Mission-driven Company coordination team

Performance

Part 2

Innovating to reinforce our relationship excellence and develop our business

Relational experience

Optimising the experience to provide remarkable customer service

At Cofidis Group, we are committed to providing exceptional customer services, with the hallmark of simplicity and efficiency. Thanks to our attention to customer needs, analysis of feedback and digital innovation, we optimise the customer experience to exceed their expectations. To strengthen our relationship excellence, we aim for fluid and autonomous interactions. Boosting customer satisfaction is at the heart of our development strategy.

Digitalisation to simplify the customer experience

Autonomy through selfcare: in all of the countries where we operate, our subsidiaries strive to optimise the functionalities of their customer spaces. As an illustration, the Cofidis Pay application at **Cofidis Portugal** already offers autonomous and innovative credit management to more than **45,000 customers.**

Fluidity, speed and security: with the electronic signature, **Creatis and Cofidis Belgium** have simplified the customer experience. **Cofidis Hungary** adapts to the changing needs of its customers with its fully automated loan in 20 minutes. **Monabanq** has redesigned account opening with a “mobile first” approach, while **Cofidis Italy** has reinvented its website to enrich the user experience (UX). At **Cofidis Spain,** Cofidis Express revolutionises fund transfers, enabling practically instant transactions: an option which has already been activated for **69%** of open requests.

These innovations, focused on “selfcare”, carrying out transactions with full autonomy, ensure that each customer can manage their own finances with ease.

Enhancing the customer experience with constant and active attention

Within the **Cofidis Group,** continuous improvement of the customer experience is based on attentive processing of customer feedback, transforming each interaction into an enrichment opportunity. **Our entities throughout Europe** deploy sophisticated customer attention tools: hot surveys to examine post-contact reactions, as well as cold surveys to record annual satisfaction trends. According to the Kantar 2023 barometer, we can underline that **94%** of our European customers are satisfied with the customer experience at Cofidis!

The innovative Staffino initiative at **Cofidis Slovakia** is a good illustration of the quality of our customer experience: the management platform collects customer reviews by text message and also enables rapid reaction to resolve any dissatisfaction. As a result, it led to a significant improvement in the NPS: **+15 points** (Net Promoter Score)

2023 customer experience barometer
elaborated by Kantar

Cofidis Europe

Overall reputation

59%

Very good reputation

(+8% /2022)

Overall satisfaction

94%

satisfied customers

(-1% / 2022)

Recommendation NPS

(Promoters – Detractors)

55

(+4% / 2022)

“At Cofidis Group, we want to offer a committed customer experience, generating positive emotions, value and profit: quite a programme! By placing the focus on harmonising practices, I assist our subsidiaries in their business to transform each customer contact into an opportunity for excellence. We work together to resolve the major irritations of our customers, and to limit effort both for the customer and for the employee.”

Marie-Cécile Hild Brun

Quality and Customer relations
Cofidis Group

Customer relations

Celebrating relationship excellence

Relationship excellence is more than an objective for us all; it is anchored in our DNA, cultivated and put into practice by all of our entities throughout Europe. In 2023, our commitment to impeccable service quality was largely recognised, reflecting the deep satisfaction of our customers and partners. This year, we are proud to celebrate that our subsidiaries have received multiple awards, labels and certifications, tangible symbols of our Experience First promise and our vibrant and dynamic customer-oriented culture.

Recognition of our commitment with Customer Service labels

Once again this year it is with pride that we can congratulate our entities throughout Europe for the **16 labels and certifications** obtained. These awards reflect the strength of our commitment to exceptional service quality.

Cofidis France
- Symmetry of attentions
- Best digital customer relations Qualiweb

Cofidis Spain
- Voted Customer Service of the Year 2024

Monabanq
- Voted Customer Service of the Year 2024
- Gold Top for life insurance
- Silver victory for the Monabanq vie Premium product
- The bank trophies (Les Trophées de la banque): best mobile application

Cofidis Slovakia
- Top Loyalty Improvement
- Top Employee Approach

Cofidis Czech Republic
- Bronze crown for credit

Cofidis Portugal
- Customer choice 2023
- Trusted brand
- Best sector reputation

Cofidis Hungary
- Excellent "Face to face" service, "electronic signature", "Call centre"

"Relationship excellence is fundamental at Cofidis, as it always has been. This year, our commitment to offering impeccable customer service, aligned with our values, truly set us apart in our sector. With our welcome, service, advice, we want to leave a lasting and differentiating impression, which is the key to our success. In 2023, our efforts were recognised with several awards, including the Qualiweb Trophy and the *Symétrie des Attentions* (Symmetry of Attentions) label. These labels prove that when our teams are fulfilled, so too are our customers. For 2024, let's do even better!"

Thomas Cordier
Customer Experience Manager at Cofidis France

"The success of Monabanq being named Customer Service of the Year reflects our unstinting commitment to relationship excellence, perfectly illustrating our approach based on symmetry of attentions between employees and customers. This award underlines our continuous pursuit of exceptional service quality, anchored in attentiveness and speed of reaction. To go even further, the hot survey tool will enable us to reinforce our proximity with customers and our understanding of their needs."

Dorothée Tesse
Customer experience steering manager at Monabanq

"Our recent Trusted Brand and Best Sector Reputation illustrate the efficiency of our customer-centric approach. We stand out thanks to the quality of our service, the speed of our credit decisions and the quality of our digital interfaces, which strengthens our leadership. Despite the tense economic backdrop, our responsible lending strategy, aligned with our innovative customer services, continues to be our priority for 2024."

Martta Oliveira
Innovation and Value Creation Director Cofidis Portugal

Improving our relationship postures (written and oral): Focus on the Cofidis France project

In 2023, **Cofidis France** launched an ambitious project aimed at fine-tuning relationship postures with its employees, supported by the Cocedal firm. The goal was two-fold: to fully reflect the values of Cofidis — Consideration, Agility, Boldness, Simplicity, Responsibility — in each customer interaction, and to build authentic, sincere and personal relationships, characterised by attentive consideration, reinforced empathy and a proactive approach. This programme guided customer advisers in different stages of customer communication, from the initial contact with a meticulous welcome, right through to the end of the interaction, with a personalised conclusion, thereby ensuring a unique and memorable experience with Cofidis.

Strategic BtoB partnerships

Boosting business development

In all of our subsidiaries, we are convinced that win-win partnerships are the key to our commercial expansion. By working closely with our sales teams and e-commerce agents, we develop omnichannel, personalised digital solutions centred on the customer experience and technological progress. Our financing offers, which are innovative, effective and secure, boost sales for our partners, thereby accelerating their business growth. This synergy, reinforced by our BtoB marketing actions, strengthens our relationships and supports business development throughout Europe.

France

More than 10,000 partners place their trust in Cofidis France, including **1,110 new arrivals** in 2023 such as **Look Cycles, Belong** and **Narbonne Accessoires.** Cofidis also continued its development in the energy renovation and auto sectors. In addition, the launch of the 5 to 12XCB offers with **Micromania** and “offers targeting big spenders” with **Decathlon** are striking examples of its ability to address the needs of its partners and their customers.

Poland

Cofidis Poland consolidated its growth strategy in car financing and instalment loans, strengthening its collaboration with key partners like **AAA Auto** and **OTOMOTO/Carsmile,** while continuing to pursue its close cooperation with Vorwerk and a new local promising local partners – **STERNA,** specialist in upscale cleaning equipment. The launch of the green products **Eko Leasing & EKO KREDYT** for hybrid and electric vehicles marks a key step in its commitment to sustainability and bodes well for strong results in 2024.

Italy

Leveraging the PagoDIL offering, the strategic partnerships with **Vorwerk** and **Samsung** reflect the commitment of Cofidis Italy to offering flexible and personalised payment solutions. Furthermore, the extension to its collaboration with **Amplifon** and the agreement with **Viessman**underline its support for energy efficiency and health sectors, in line with the corporate mission of Cofidis Group.

Hungary

Two new partnerships with major international brands **Samsung.hu** and **Decathlon** are very promising, like the existing partnerships with **Imperium.hu** (computer equipment) and **Istyle**.hu (online Apple Premium reseller store). They leverage financing solutions adapted to the needs of customers and reflect the ambition of Cofidis Hungary to build on its positions in the Hungarian market.

Spain

This year, Cofidis Spain concentrated on strategic development by improving its products such as **Payline,** and strengthening its positioning in the consumer credit market. 2023 saw solid and historical partnerships with **Feu Vert** and **Motocard,** new signings with **Factor Sofa** for example, and even penetration of dental and beauty sectors. One of its goals for 2024 will be to penetrate housing eco-renovation sectors.

Belgium

With **more than 200 new partnerships,** Cofidis Belgium stands out in various sectors, including soft mobility (bikes) as well as telephony and energy (solar panels). **Guy Demarle,** leading player in direct kitchen equipment sales, as well as **Exellent, Selexion, Expert,** Belgian specialists in electric home appliances, adopted the 3xCofidisPay solution for their online and physical stores, illustrating the ability of our subsidiary to support the growth of its partners with innovative financing solutions.

Portugal

Cofidis, via its partnership with **Flexicar,** the Spanish leader for second-hand cars, aims to become a reference partner by supporting its ambitious expansion in Portugal. In addition, the development of its e-commerce payment solutions with **If Then Pay** and**Lusopay** as well as the popular CMS plug-ins, step up its presence in e-commerce.

Czech Republic

The collaboration with new partners such as **Planeo, Okay** and **Datart** illustrate the dynamism of Cofidis Czech Republic in its domestic market: partnerships focused on innovation and customer satisfaction thanks to relevant and affordable financing solutions.

Slovakia

Cofidis Slovakia welcomed **31 new partners** in 2023, focusing mainly on car financing. Among them, for example,**Final CD** is one of the biggest car dealers. Its new collaboration with **Kaktus Bike** strengthened its presence in the retail sector.

Acquisition of Carizy in France

In our quest for innovation, we also seek to acquire leading-edge technologies and promising digital players. The acquisition of the Carizy platform enables us to offer a specialist digital platform for used cars. This strategic approach underlines our desire to foster innovation in the mobility sector and to promote the circular economy.

Performance & Business

Accelerating our commercial development through innovation

Innovating at Cofidis Group means challenging our methods, structures and knowledge to seize new opportunities. Innovation, a key lever for business development, enables us to continuously improve our efficiency and our performance. By placing innovation at the heart of our strategy, we support our customers, partners and employees, while at the same time guaranteeing confidentiality and data security. Our ambition is clear: integrate emerging technologies to transform and optimise our businesses.

Optimising our processes with Open Banking and innovative analytical tools

Integration of **Open Banking data** with our subsidiaries in **France, Spain,** and **Hungary** is revolutionising how we grant loans. By taking advantage of this data, we simplify the experience. This leads to better management (optimisation of processing time, reduction in fraud, better risk control, re-management of refused customers based on scores, etc.) and an enhanced customer experience (greater autonomy, time saved). By leveraging this data with the explicit agreement of our customers, we optimise our commercial performance while at the same time protecting the confidentiality of customer information.

Overall, France, Spain, Hungary:

49,321

loan requests submitted with Open Banking data*

*from March 2023 to April 2024

Regarding **analytical tools, Creatis** has developed a predictive model to predict customer departures, thereby boosting retention. At the same time, **Cofidis Belgium** implemented an analytical online reputation analysis tool, boosting its ability to enhance brand image for itself and its partners.

Enriching the experience of our partners

Aligned with our Experience FIRST commitment, innovation is an integral part of our partner strategy. New tools, like Cofidis For You at **Cofidis France,** offer enhanced ergonomics and advanced functionalities to simplify and accelerate interactions. This type of solution enables our partners to benefit from more fluid processes and better conversion rates, thereby boosting their competitiveness in the market.

Over

95%

of partners satisfied with tools implemented by Cofidis France

The adoption of optimised customer experiences with partners like **Micromania** or **Amazon in France** also illustrate our commitment to developing and offering innovative processes which actively support the commercial development of our partners

Congratulations to Cofidis Italy for winning the Financial Innovation - Italian Awards:

- **Innovative financial institution** in the “Consumer credit” category.
- **Award for new services** with the CLUB, a consumer credit solution promoting daily saving, the ecological transition and financial education.

“Our ambition for the Group is to evolve towards a “data-driven ” organisation, focused on data. This involves using data not only as a lever for growth and innovation, but also as an agile way of integrating emerging technologies. We are committed to constantly enriching the experience of our customers, partners and employees by guaranteeing ethical and responsible use of data, aligned with the guidelines of European data protection directives, for a future where innovation, data and excellent service are at the heart of our success.”

Sébastien Godin
Data Officer
Cofidis Group

Innovation & Productivity

Transforming our organisations and our work methods with data

In our quest for excellence, data has become a driver of transformation within each of our entities: the cornerstone of our strategy, it revolutionises both our work methods and our organisations. Thanks to the adoption of new data-based tools, our teams boost their efficiency, make informed decisions and disseminate innovation throughout the group. Throughout Europe, we deploy cognitive solutions and the data innovation culture to boost our productivity and train our employees for the challenges of the future.

Our cognitive solutions

1.5 million
mails analysed
(Cofidis France, Cofidis Belgium, Monabanq, Creatis)

400,000
customer questions
answered directly by our virtual assistants (Monabanq, Cofidis Spain)

19,000
employee questions
about Human Resources processed by our virtual HR assistant (Cofidis France, Monabanq, Creatis and SynerGIE)

Implementing new innovative tools to boost our efficiency

To continue to improve our performance for our customers and our teams, we have implemented advanced Artificial Intelligence solutions. These tools radically transform the way we interact with customers and optimise internal flows. They enable prioritisation of requests based on business issues and organisation of processes for fluid and reactive management. A key example is the Interactive **Vocal Server** of **Cofidis France** which simplifies the customer-advisor relationship, significantly improving the experience right from the first contact.

87%
precision in identifying the needs of Cofidis France customers

Furthermore, the adoption of the **QLIK Sense tool** by **Cofidis France, Cofidis Belgium, Cofidis Italy** and **Cofidis Spain** has revolutionised data analysis, enabling teams to benefit from dynamic and interactive reporting. This not only accelerates decision making but it also boosts our productivity by concentrating on high value added actions.

Acculturating our teams to data for future innovation

Data has become an essential vector and vital for our group's growth, innovation and competitiveness. By integrating a data culture into our strategies, we open up to unprecedented opportunities by anticipating risks. Our data acculturation approach aims to harmonise understanding and use of data by all of our subsidiaries. This initiative prepares each employee to contribute actively to the strategic transformation of the group.

As part of this drive, the **Insurance Data Days 2023,** which took place at our **Campus in France,** brought together business and data experts to analyse customer data with the Dataiku tool. This gathering facilitated the strengthening of synergies between our entities to address sector challenges. In parallel, our **Data and Innovation Committees,** through regular meetings, detect future trends, thereby ensuring we maintain our leading sector position. **A Data Science Lab Expert project** was also launched to consolidate our innovation strategy for 2024.

The dissemination of **"Data News "** also plays a key role, highlighting significant and inspiring progress through **the successes of our subsidiaries.** On the initiative of **SynerGIE, a Data maturity audit** was carried out at all of our entities. It assesses the efficiency of data usage, favouring mutual dynamic learning and constant evolution within the group.

Solidarity

Part 3

Committing daily to our regions and our planet

Regional solidarity

Mobilising to foster social inclusion

Via major targeted collaborative projects, the group actively commits to supporting local communities, acting as a driver of solidarity and inclusion. As major economic players, our subsidiaries stimulate local growth by creating employment and enriching the entrepreneurial ecosystem. Our actions go even further, mobilising employees, customers and partners to meet the needs of the most vulnerable, underlining our role in the fight against exclusion and strengthening social cohesion.

Strengthening our social impact via Booster Missions

In 2023, **Cofidis France** continued to build on its regional societal commitment with its Booster Missions by launching a new collaborative platform. Facilitating connections between teams and associations, this initiative aims to promote efficient and transparent management of our solidarity actions. With dedicated Ambassadors for each partner association, we accentuate our support of community projects. The extension of the Booster Missions to **Creatis** in May 2023 underlines our determination in strengthening our regional impact and extensively mobilising our employees

Booster Missions

242
committed employees

347
missions carried out with 26 associations

170
solidarity days recorded

Supporting social innovation with Future Makers

In 2023, the Future Makers project at **Cofidis Spain** strengthened its societal impact with new actions. Skills enrichment programmes like Welcome Talent and Graduate Data, for example, offered 32 students the opportunity to enter the professional arena. Furthermore, 6 professional inclusion workshop were held to support people in precarious situations. In collaboration with Talkual, our Spanish subsidiary also initiated a mentoring programme for entrepreneurs, targeting the sustainable reuse of resources. All of these initiatives strengthen the commitment of our employees to their regions.

Future Makers

20%
of employees committed to a solidarity initiative

170 hours
allocated to Future Makers projects

Broadening the horizons of children with disabilities

Cofidis Hungary continued its long-standing commitment with the de **l'Institut Peto** for the education and development of children with disabilities. This year, a financial donation was made to the foundation of the Institute. Furthermore, our Hungarian subsidiary renewed its annual participation in the "Journée des enfants" (Kids' Day). Our volunteer employees transformed this event into a magic moment, bringing smiles to the faces of all the children.

Committing to help children grow up better

Cofidis Italy is committed to the fight against child cancer, and proudly participates in the Milan Marathon and the Pyjama Run with **LILT.** Our teams joined 20,000 runners to support research, illustrating our continuous commitment with LILT Milano Monza Brianza. The honour of sponsoring the Pyjama Day illustrates our desire to take concrete action for a crucial cause. In **France, Cofidis Group** partners the **école de la Cordée** which welcomes children from difficult districts. As part of this initiative, we sponsored a Paris-Roubaix junior bike race with 40 young people from the school.

Uniting to give: our solidarity commitments in favour of the underprivileged

Throughout Europe, our subsidiaries united to illuminate end-of-year celebrations, by organising solidarity collections in favour of the underprivileged. Everywhere, our actions vary but the spirit remains the same : offering warmth and support. At **Campus France,** letters and gifts warmed the hearts of the elderly in retirement homes, while **Cofidis Spain** mobilised in support of children with cancer. **Cofidis Czech Republic** and **Cofidis Italy** made the wishes of orphans come true and support children in hospital. **Cofidis Slovakia** collected and redistributed second-hand objects. **Cofidis Poland** participated in "Szlachetna Paczka " to provide Christmas gift packages to families in difficulty. **Cofidis Portugal** within its head office Natura Towers, in collaboration with Les **Bureaux du Cœur** and l'**association CRESCER,** set up accommodation for people in vulnerable situations. In these ways, all of our subsidiaries affirm our profound commitment to social inclusion and regional development.

The Green Transition

Acting for a sustainable future

Our group represents change, guided by our ambition de promote the adoption of sustainable practices for our customers and employees. We are engaging in this ecological transition through concrete actions: promotion of green mobility, awareness raising on climate issues, encouraging solidarity actions and optimising our energy footprint. All of these #LikeMyPlanet projects underline our active role in preserving the plant for future generations.

Accelerating the ecological transition of our customers

The group facilitates the ecological transition of its customers with innovative offerings like the interest-free loan from **Cofidis France** for bike purchases with LOOK Cycles, Feu Vert and Decathlon.fr. **Cofidis Slovakia** and **Cofidis Portugal** have also launched the project.

4,300
interest-free loans granted in France

With EKO Leasing for the acquisition of electric and hybrid vehicles, **Cofidis Poland** supports the ecological transition of the financial sector. The targets are ambitious: increasing Eco-leasing sales and the launch of a new Eco-Credit product. Our subsidiary is also targeting profound energy renovation via investments in solar PV panels, heat pumps and thermal insulation equipment. Furthermore, it is enriching its partnerships favouring soft mobility.

At **Cofidis Spain,** the Respira Vida project, 1 loan = 1 tree planted, symbolises our positive green actions in favour of the environment, actions also launched by **Cofidis Slovakia.**

Close to
160,000
trees planted in 2023 in Spain

Promoting green practices in-house

Committed to the promotion of soft mobility, the group implemented sustainable solutions for its employees, to favour virtuous behaviour. **Cofidis Spain** promotes bike travel by creating on-site facilities for bikers (covered bike park, availability of repair kits). In **France,** as well as the **Sustainable Mobility payment** already in place, a **Plan Vélo (Bike Plan)** was launched by **our entities** to encourage the use of **electric bikes** for traveling to and from work.

Over
430
employees benefited from the Plan Vélo in France (17% of the headcount)

Raising employee awareness of ecological challenges

Cofidis France stepped up its ecological commitment in 2023, extending the Climate Fresk to **Creatis** and **SynerGIE**: 84% of employees made aware of the climate emergency. In parallel, the CSR Challenge mobilised our subsidiaries around the UN's Sustainable Development Goals, with a significant donation to World CleanUp Day, celebrating collective action.

Optimising our energy consumption

The new Vénus building at **Campus France,** as well as the Natura Towers building at **Cofidis Portugal,** boasting high energy and economic performance, illustrate our #LikeMyPlanet commitment.

At **Cofidis Belgium,** PV panels continue to perform, illustrating the impact of our concrete actions to promote a eco-responsible future:

+16%
of green electricity used in-house in Belgium compared with 2022

58
families supplied with electricity during 1 year in Belgium (+23% vs. 2022)

World Cleanup Day

297 kg
of waste collected by our French subsidiaries

€5,000
donated to #WCUD

5 tonnes
shared with Crédit Mutuel Alliance Fédérale

Team Cofidis

Expressing our values of solidarity and excellence

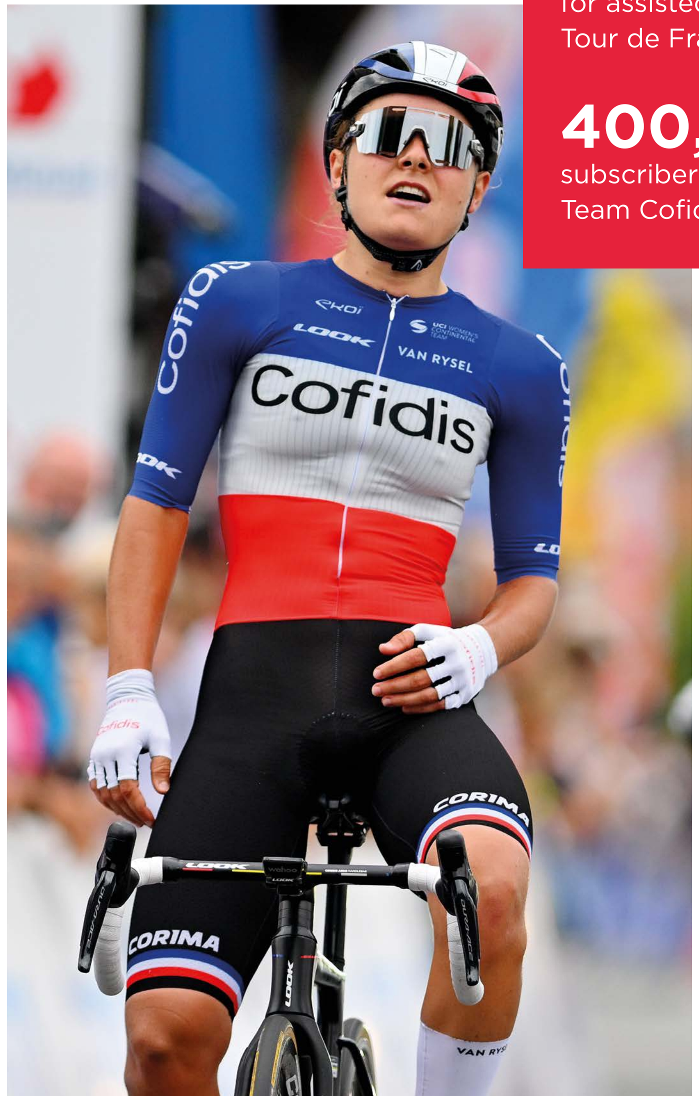
Togetherness, Performance, Solidarity. The groups ambitions also resonate within the Cofidis cycling team. A community united to support the biggest races on the calendar and maximise the visibility of our company.

11 nationalities came together to support the same shirt, to exceed their limits and shine as a team. Solidarity and mutual support are the vital keys to success. These values, which guide our pro cycling team, also make our brand shine and promote our reputation way beyond the races, illustrating our profound commitment to communities and regions.

The community in the service of performance

In 2023, **48 racers** from **11 countries** (with men's, women's and paracycling teams) as well as around 60 staff members (sports managers, physical therapists, doctors, trainers and assistants) mobilised at each race to contribute to the performance and success of the team.
"Cycling is an individual sport which involves a team": this comment symbolises the team spirit within Team Cofidis and enabled our company to maximise its visibility and brand image.

Our **100% employee caravan** has been participating actively in the Tour de France since 1997, illustrating the profound commitment of our teams to this major sporting and human adventure. This year, 16 employees had the opportunity to meet with millions of spectators along the route.



A year of success and recognition

38 victories for
the team including:

- **14** for the men (with 2 stage victories in the Tour de France & 1 victory at the Spanish Vuelta)
- **5** for the women
- **19** in paracycling

1st
French champion title in history for the team with Victoire Berteau

Cofidis
TOP 5
for assisted Brand recognition for the Tour de France

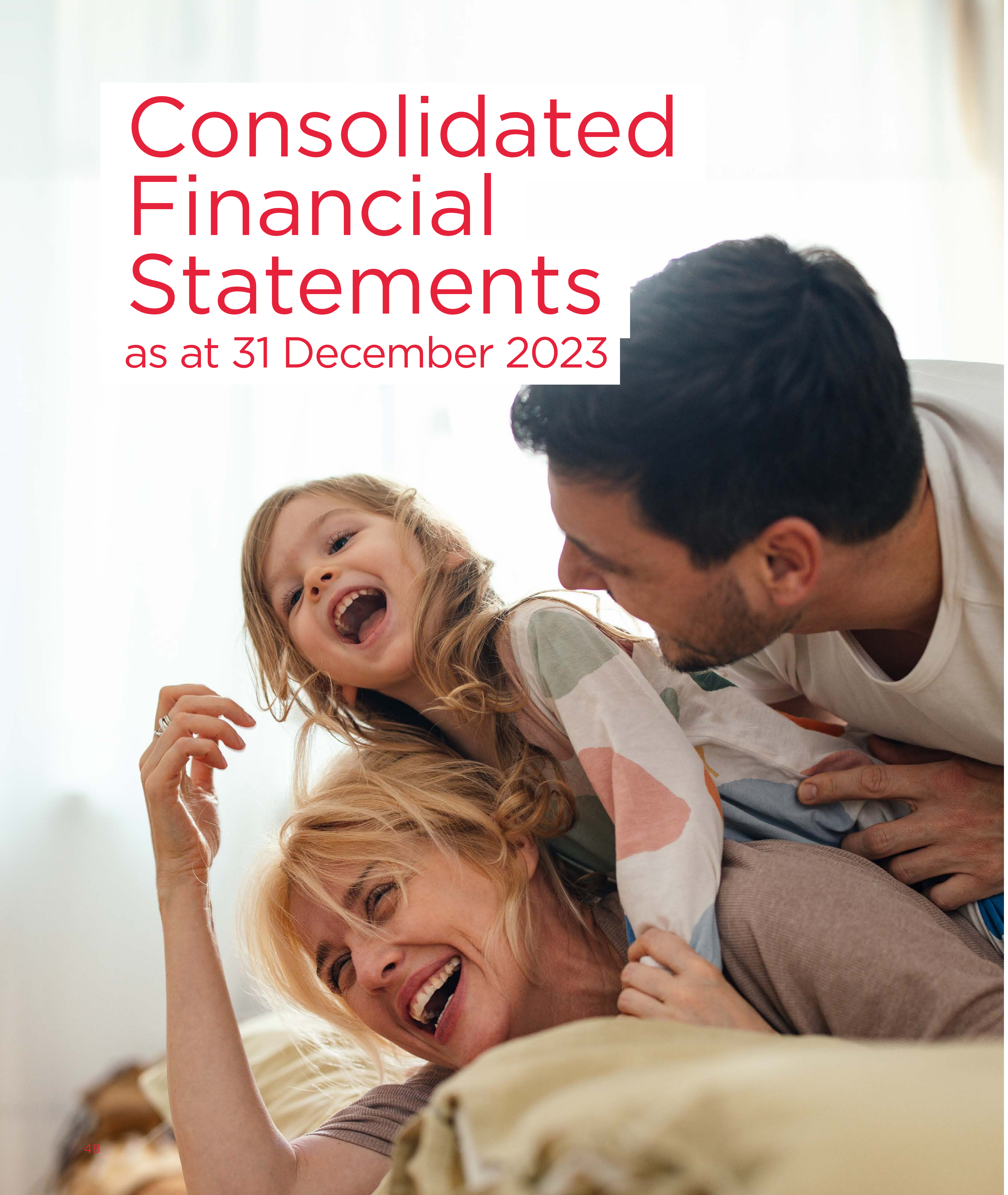
400,000
subscribers to the Team Cofidis social media (+13%)

The standard-bearer of our community commitment

Team Cofidis promotes inclusion and diversity commitments through targeted initiatives.

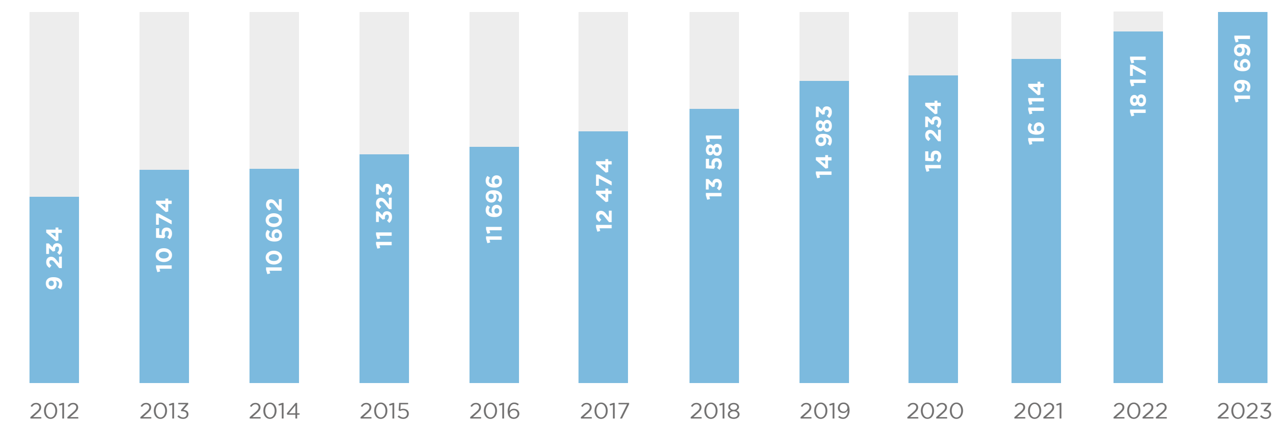
It inspires young people with the **Paris Roubaix Juniors race, trains future professionals** with challenges like **"graines de pistard Cofidis" (Cofidis budding cyclists).** To be even closer to your people, our **Tiktok** account was expanded in 2023 with innovative, educational and entertaining content. Our partnership with one of the best **e-sport** structures also illustrates the desire of the Cofidis team to commit with new generations.

Our commitment to people with disabilities is reflected in our support for projects like those of the **ANAIS** foundation (world record distance covered in relay and adapted cycling) as well as the inspiring actions of our paracycling team which visits schools to overcome prejudices. Anchored in the region, our team **values community spirit** by partnering French Cycling championships and supporting local events. It is also **committed to the environment,** notably with eco-responsible partnerships illustrating our desire to act in favour of a more sustainable and inclusive future.

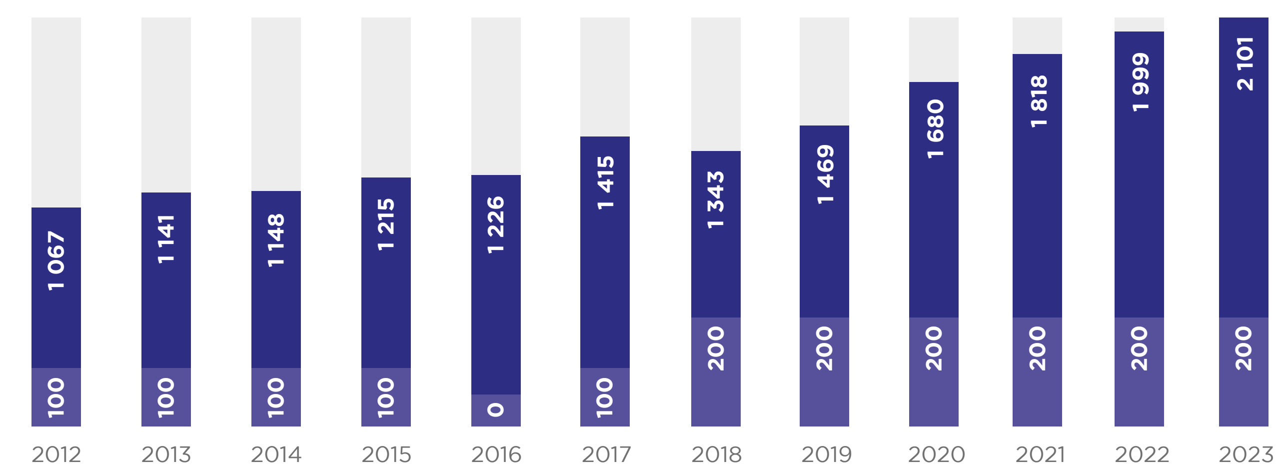


Consolidated Financial Statements
as at 31 December 2023

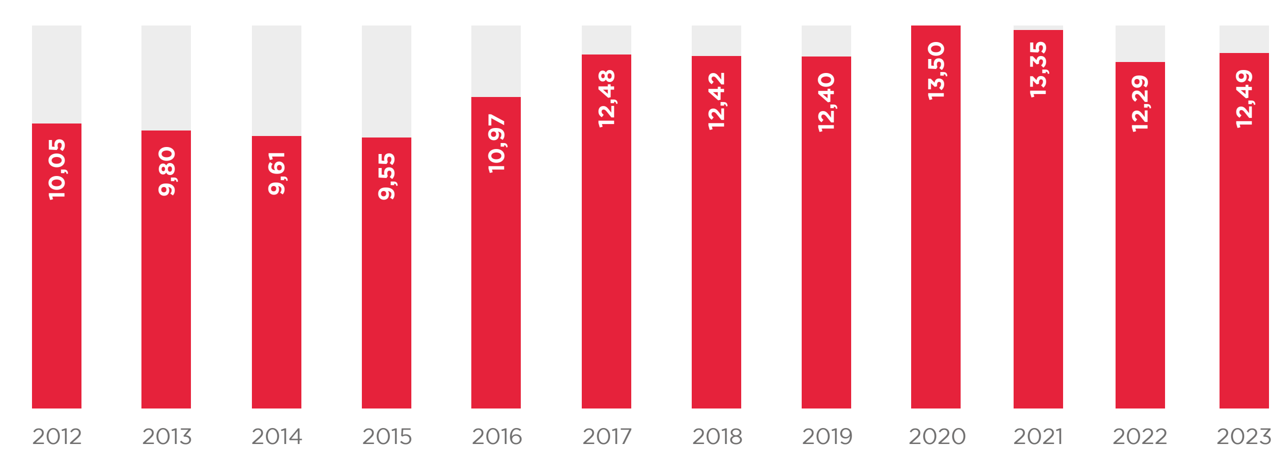
Gross Outstanding Amounts in €M



Shareholders' Equity (excluding retained earnings)
SUBORDINATED DEBT



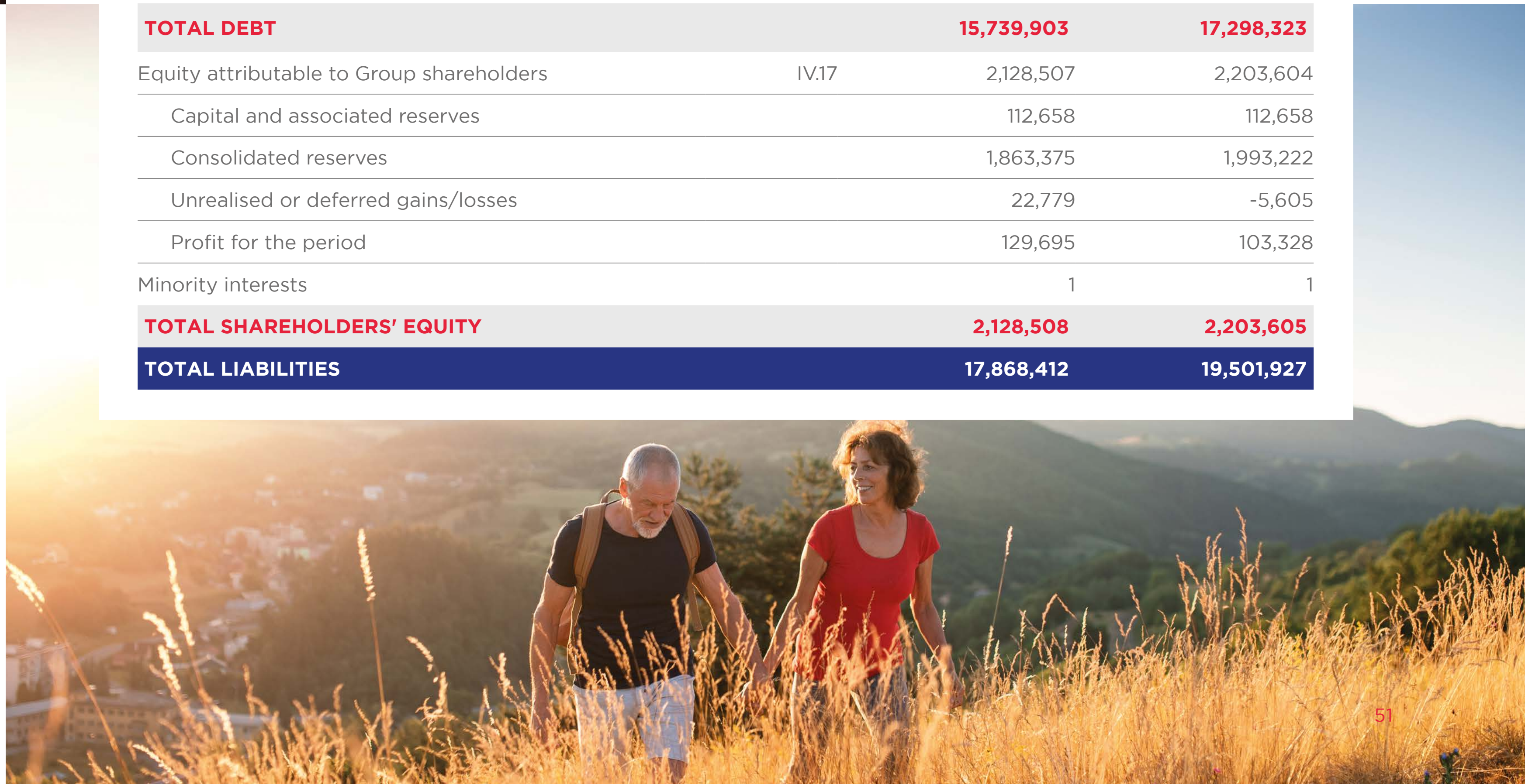
CET1 Capital Adequacy Ratio in %

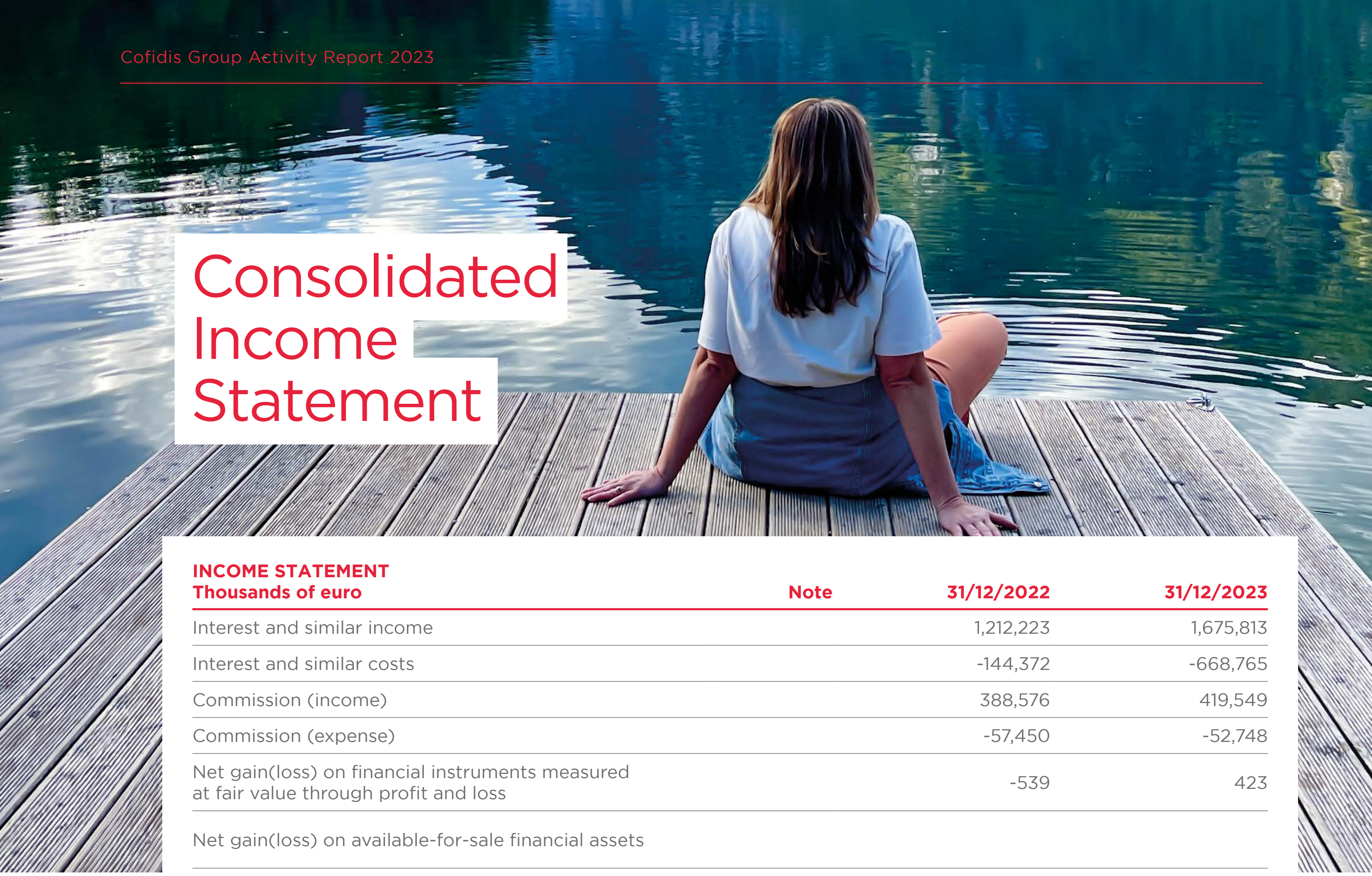


Consolidated Balance Sheet

ASSETS Thousands of euro	Note	31/12/2022	31/12/2023
Cash in hand, credit balances at central banks	IV.1	27	9
Financial assets recognised at fair value through profit or loss	IV.2	97	336
Derivative hedging instruments	IV.3	321,547	150,917
Securities at amortised cost	IV.4	1,357	1,647
Loans and advances to credit institutions at amortised cost	IV.5	872,550	1,069,116
Loans and advances to clients at amortised cost	IV.6	16,217,660	17,582,749
Revaluation surplus on rate-hedged portfolios	IV.3	-273,389	-74,272
Current tax assets	IV.14	18,367	24,258
Deferred tax assets	IV.14	138,781	138,223
Accruals and miscellaneous assets	IV.7	131,006	172,384
Holdings in equity-consolidated companies	-	-	-
Investment properties		-	5,976
Property plant and equipment	IV.8	179,265	169,536
Intangible assets	IV.9	17,140	17,143
Goodwill	IV.10	244,006	244,006
TOTAL ASSETS		**17,868,412**	**19,501,927**

LIABILITIES Thousands of euro	Note	31/12/2022	31/12/2023
Central banks		0	0
Financial liabilities recognised at fair value through profit or loss	IV.2	0	0
Derivative hedging instruments	IV.3	7,524	60,774
Debts to credit institutions at amortised cost	IV.11	14,065,907	15,362,593
Debts to clients at amortised cost	IV.12	883,123	1,070,679
Debts represented by a security at amortised cost	IV.13	50,033	50,068
Revaluation surplus on rate-hedged portfolios	IV.3	-	-
Current tax liabilities	IV.14	3,846	2,573
Deferred tax liabilities	IV.14	10,794	2,092
Accrued charges and deferred income and miscellaneous liabilities	IV.15	391,621	452,999
Insurance contract underwriting reserves		-	-
Provisions	IV.16	126,600	95,888
Subordinated debt		200,455	200,657
TOTAL DEBT		**15,739,903**	**17,298,323**
Equity attributable to Group shareholders	IV.17	2,128,507	2,203,604
Capital and associated reserves		112,658	112,658
Consolidated reserves		1,863,375	1,993,222
Unrealised or deferred gains/losses		22,779	-5,605
Profit for the period		129,695	103,328
Minority interests		1	1
TOTAL SHAREHOLDERS' EQUITY		**2,128,508**	**2,203,605**
TOTAL LIABILITIES		**17,868,412**	**19,501,927**





Consolidated Income Statement

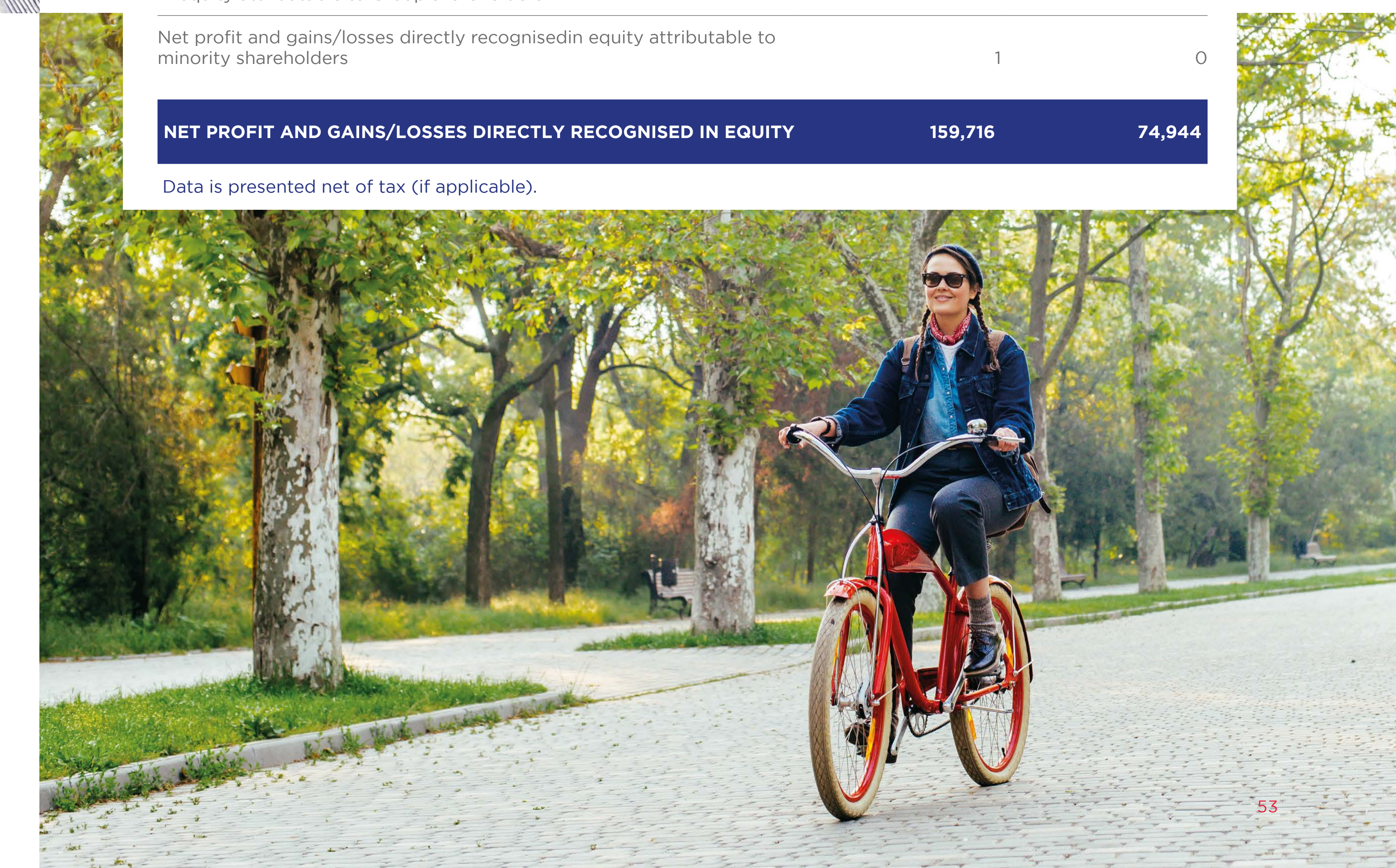
INCOME STATEMENT Thousands of euro	Note	31/12/2022	31/12/2023
Interest and similar income		1,212,223	1,675,813
Interest and similar costs		-144,372	-668,765
Commission (income)		388,576	419,549
Commission (expense)		-57,450	-52,748
Net gain(loss) on financial instruments measured at fair value through profit and loss		-539	423
Net gain(loss) on available-for-sale financial assets			
Income from other activities		1,561	8,172
Expense from other activities		-785	-1,020
NET BANKING INCOME	**VI.1**	**1,399,214**	**1,381,423**
General operating costs	VI.2	-783,074	-769,762
Amortisation expense/write-backs and provisions on tangible and intangible assets	VI.3	-21,663	-22,566
GROSS OPERATING PROFIT		**594,477**	**589,095**
Cost of risk	VI.4	-406,843	-442,372
OPERATING PROFIT		**187,634**	**146,723**
Equity-consolidated companies' share of net profit(loss)		-	-
Net gains/losses on other assets	VI.5	-86	-50
Changes in the value of goodwill		-	
PROFIT BEFORE TAXES		**187,548**	**146,673**
Income tax	VI.6	-57,851	-43,345
Net profit for the year on discontinued operations or operations being discontinued			
NET PROFIT		**129,697**	**103,328**
Minority interests			
NET PROFIT – ATTRIBUTABLE TO GROUP SHAREHOLDERS		**129,697**	**103,328**
Earnings per share (€):		0.61	0.49

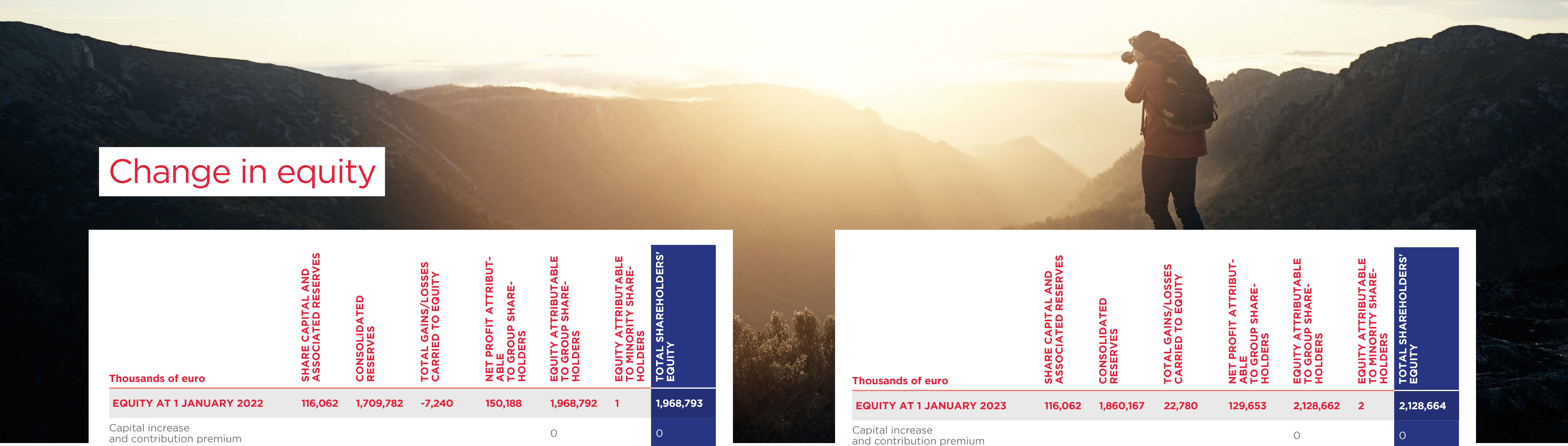
Net income and gains and losses

DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY

Thousands of euro	31/12/2022	31/12/2023
Net profit attributable to Group shareholders	**129,695**	**103,328**
Translation adjustments	982	(2,084)
Re-measurement of derivative hedging instruments	21,444	(24,893)
Re-measurement of long-term employee benefits	7,593	(1,408)
Re-measurement of financial assets		
TOTAL GAINS/LOSSES DIRECTLY RECOGNISED IN EQUITY ATTRIBUTABLE TO GROUP SHAREHOLDERS	**30,020**	**(28,384)**
Net profit and gains/losses directly recognised in equity attributable to Group shareholders	159,715	74,944
Net profit and gains/losses directly recognisedin equity attributable to minority shareholders	1	0
NET PROFIT AND GAINS/LOSSES DIRECTLY RECOGNISED IN EQUITY	**159,716**	**74,944**

Data is presented net of tax (if applicable).





Change in equity

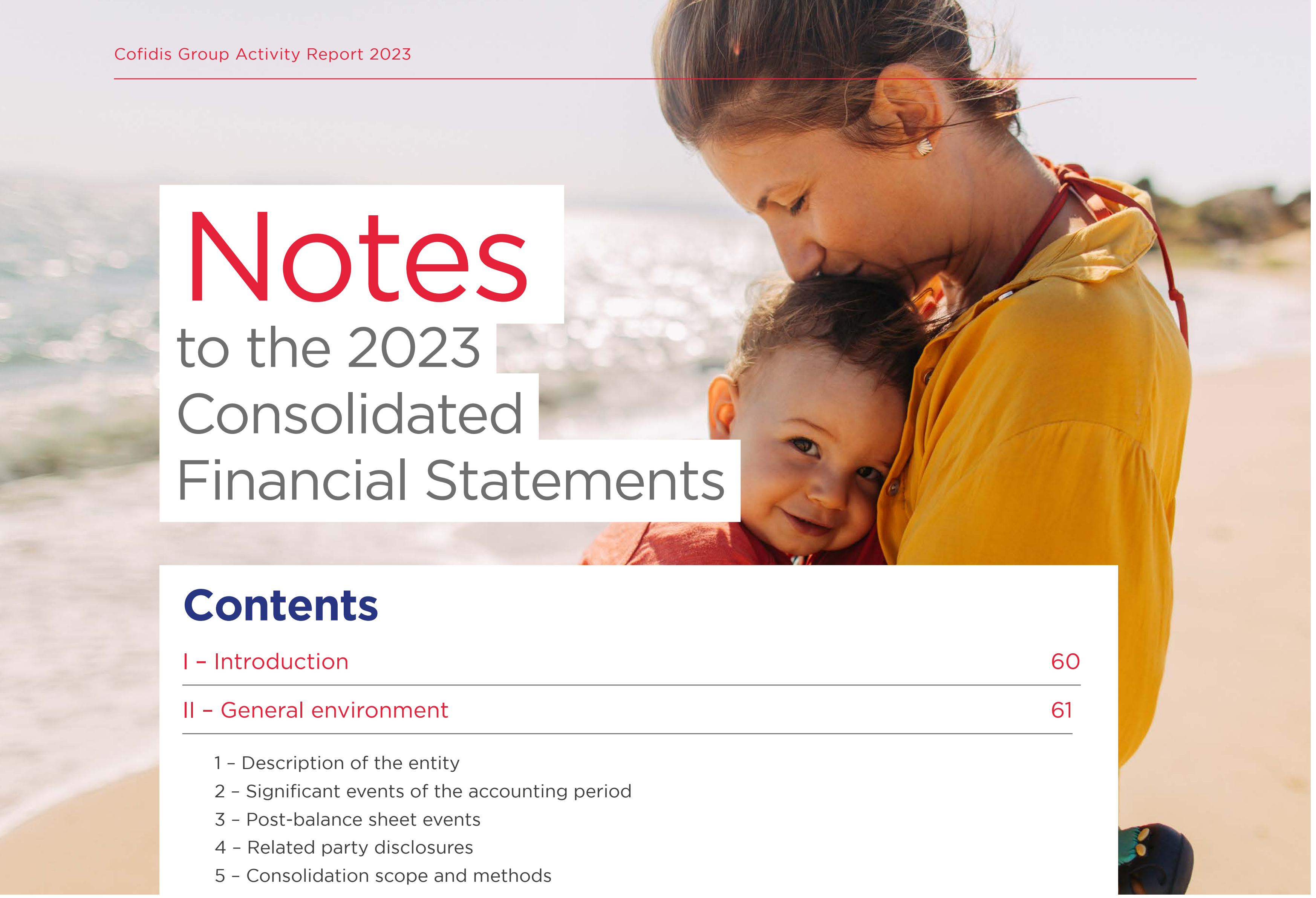
Thousands of euro	SHARE CAPITAL AND ASSOCIATED RESERVES	CONSOLIDATED RESERVES	TOTAL GAINS/LOSSES CARRIED TO EQUITY	NET PROFIT ATTRIBUT-ABLE TO GROUP SHARE-HOLDERS	EQUITY ATTRIBUTABLE TO GROUP SHARE-HOLDERS	EQUITY ATTRIBUTABLE TO MINORITY SHARE-HOLDERS	TOTAL SHAREHOLDERS' EQUITY
EQUITY AT 1 JANUARY 2022	**116,062**	**1,709,782**	**-7,240**	**150,188**	**1,968,792**	**1**	**1,968,793**
Capital increase and contribution premium					0		0
Equity component of hybrid instruments					0		0
Allocation of 2021 income		150,230		-150,230	0		0
Perpetual subordinated notes remuneration					0		0
2022 dividend payment in respect of 2021					0		0
Interim dividend					0		0
SUB-TOTAL OF MOVEMENTS LINKED TO RELATIONS WITH SHAREHOLDERS	**0**	**150,230**	**0**	**-150,230**	**0**	**0**	**0**
Variation in gains/losses recognised in equity			30,020		30,020	1	30,021
2022 profit				129,695	129,695		129,695
SUB-TOTAL	0	0	30,020	129,695	159,715	1	159,716
Effect of acquisitions and disposals					0		0
Other changes					0		0
EQUITY AT 31 DECEMBER 2022	**116,062**	**1,860,012**	**22,780**	**129,653**	**2,128,507**	**2**	**2,128,509**
Impact of changes in accounting policies					0		0
Impact of error correction		155			155		155

Thousands of euro	SHARE CAPITAL AND ASSOCIATED RESERVES	CONSOLIDATED RESERVES	TOTAL GAINS/LOSSES CARRIED TO EQUITY	NET PROFIT ATTRIBUT-ABLE TO GROUP SHARE-HOLDERS	EQUITY ATTRIBUTABLE TO GROUP SHARE-HOLDERS	EQUITY ATTRIBUTABLE TO MINORITY SHARE-HOLDERS	TOTAL SHAREHOLDERS' EQUITY
EQUITY AT 1 JANUARY 2023	**116,062**	**1,860,167**	**22,780**	**129,653**	**2,128,662**	**2**	**2,128,664**
Capital increase and contribution premium					0		0
Equity component of hybrid instruments					0		0
Allocation of 2022 profit		129,695		-129,695	0		0
Perpetual subordinated notes remuneration					0		0
2023 distribution in respect of 2022					0		0
SUB-TOTAL OF MOVEMENTS LINKED TO RELATIONS WITH SHAREHOLDERS	**0**	**129,695**	**0**	**-129,695**	**0**	**0**	**0**
Variation in gains/losses recognised in equity			-28,387		-28,387		-28,385
2023 profit				103,328	103,328		103,328
SUB-TOTAL	0	0	-28,387	103,328	74,941	0	74,941
Effect of acquisitions and disposals					0		0
Other changes					0		0
EQUITY AT 31 DECEMBER 2023	**116,062**	**1,989,862**	**-5,606**	**103,286**	**2,203,603**	**2**	**2,203,605**

Summary Cash Flow Table

Thousands of euro	2023	2022
PRE-TAX PROFIT	**146,673**	**187,547**
Net amortisation and depreciation	21,203	19,924
Amortisation of goodwill and other assets	1,363	1,739
Accruals	119,408	27,943
Share of profit(loss) from equity-consolidated companies	0	0
+/- Net loss/net gain from investment	50	86
Financing income/expenses	0	0
Other movements	-19,981	-36,024
TOTAL NON-MONETARY ITEMS INCLUDED IN NET PROFIT BEFORE TAX AND OTHER ADJUSTMENTS	**122,042**	**13,667**
Cash flows from transactions with credit institutions	1,331,348	1,679,372
Cash flows from transactions with clients	-1,483,316	-1,633,129
Cash flows from other financial asset/liability transactions	190,420	-285,524
Cash flows from other non-financial asset/liability transactions	-135,217	210,411
Tax paid	-49,461	-72,353
NET DECREASE (INCREASE) IN ASSETS AND LIABILITIES FROM OPERATING ACTIVITIES	**-146,226**	**-101,223**

Thousands of euro	2023	2022
TOTAL NET OPERATING CASH FLOW (A)	**122,490**	**99,992**
Cash flows from financial assets and holdings	-529	-314
Cash flows from investment property	0	0
Cash flows from tangible and intangible assets	-18,639	-12,115
Investment readjustments	0	0
TOTAL NET INVESTMENT CASH FLOW (B)	**-19,168**	**-12,429**
Cash flow coming from or going to shareholders	-319	546
Other net financing cash flows	0	0
Financing readjustments	0	0
TOTAL NET FINANCING CASH FLOWS (C)	**-319**	**546**
IMPACT OF VARIATION IN EXCHANGE RATES AND SCOPE (D)	**893**	**1,767**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C+D)	103,895	89,875
Total net operating cash flow (A)	122,490	99,992
Total net investment cash flow (B)	-19,168	-12,429
Total net financing cash flow (C)	-319	546
Impact of variation in exchange rates and scope (D)	893	1,767
CASH AND CASH EQUIVALENT AT START OF PERIOD	**721,680**	**631,805**
Cash on hand, credit balances at central banks, ICP (credit/debit) - START OF PERIOD	27	725
Demand accounts and loans/borrowings with credit institutions - START OF PERIOD	721,653	631,079
CASH AND CASH EQUIVALENT AT END OF PERIOD	**825,575**	**721,680**
Cash in hand, credit balances at central banks, ICP (assets and liabilities) - AT END OF PERIOD	9	27
Demand accounts and loans/borrowings with credit institutions - AT END OF PERIOD	825,566	721,653
CHANGE IN NET CASH	**103,895**	**89,875**



Notes
to the 2023 Consolidated Financial Statements

Contents

I. Introduction

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and to Regulation (EC) 1126/2008 on their adoption, the Consolidated Financial Statements for the period have been prepared in accordance with the IFRS as adopted by the European Union on 31 December 2023. This is available on the European Commission website at: https://ec.europa.eu/info /business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

The Financial Statements are presented in accordance with recommendation 2017-02 of the ANC (the French national accounting standards body) for IFRS primary financial statements. They comply with international financial reporting standards as adopted by the EU.

Information on risk management is presented in the Group Management Report.

Since 1 January 2023 the Group has applied:

⌦ Amendment to IAS 1- Information to provide regarding accounting methods

It clarifies information to be provided on "significant" accounting methods. These are significant when, taken together with other information in the financial statements, it is reasonable to expect that they influence the decisions of the main users of the financial statements.

⌦ Amendment to IAS 8- Definition of an accounting estimate

Its aim is to facilitate the distinction between changes in accounting methods and accounting estimates, by introducing an explicit definition of the concept of accounting estimates.

These represent amounts in the financial statements which are subject to uncertainty in terms of their valuation.

⌦ Amendment to IAS 12- Deferred taxation relative to assets and liabilities resulting from the same transaction

The rules of Pillar 2 of the OECD, reprised by the 2022/2523 Directive and transposed in the 2024 Finance Law, are aimed at ensuring minimum global taxation for multinational groups and major national groups in the European Union.

According to these rules, additional taxation is payable if the effective tax rate according to the Global Anti-Base Erosion (GLoBe) rules of the OECD per jurisdiction is less than 15%.

The amendment to IAS 12 provides an obligatory temporary exemption of the recognition of deferred taxations linked to Pillar 2. Work began in project mode in 2023 to draw up the list of jurisdictions and to be able to estimate the current tax expense linked to Pillar 2 from 2024. At present, the Group does not anticipate any significant impact from this tax reform.

II. General environment

1 – DESCRIPTION OF THE ENTITY

The principal activity of Cofidis Group and its subsidiaries is to grant consumer credit and personal loans, as well as issuing and managing payment methods.

Cofidis Group was founded in 1982 by the 3SI group, a specialist in online shopping. On 23 March 2009, the Banque Fédérative du Crédit Mutuel (BFCM) took control of Cofidis Group of which Cofidis SA is the direct subsidiary.

Cofidis Group, registered under company number 378 176 291, is a public limited company registered and domiciled in France. Registered office: Parc de la haute Borne, 61 Avenue Halley, 59667 Villeneuve d'Ascq.

The consolidated financial statements, were prepared using the accounts as at 31 December 2023 of consolidate Cofidis Group companies. The financial statements are reported in thousands of euro, unless otherwise indicated.

2 – SIGNIFICANT EVENTS OF THE ACCOUNTING PERIOD

Significant events during the accounting period are as follows:

⌦ The macro-economic and geopolitical context:

The Crédit Mutuel Alliance Fédérale Group is fully mobilised to tackle the impacts linked to the Ukraine crisis, and increased economic uncertainties linked to the increase in interest rates, high inflation, tighter monetary policy and geopolitical tension stemming from conflict in the Middle East.

Since it has no offices in Ukraine or Russia, Groupe Crédit Mutuel has no teams in conflict locations. Direct exposures to the two countries and Byelorussia are not therefore material. The Group also has no assets deposited with the Central Bank of Russia.

In March 2023, confidence in markets was shaken by new bankruptcies of several US banks (including Silicon Valley Bank) and the acquisition of Crédit Suisse by UBS as well as volatility of financial sector share prices. The Group's exposure to SVB, UBS and Crédit Suisse remains of limited significance at the group level.

Against this backdrop of great uncertainty, the Group maintains constant control of the quality of its undrawn credit balances, the value of its portfolios, the management of interest-rate risk and its liquidity. It benefits from robust governance and risk steering.

⌦ Interest-rate disputes with Cofidis Spain clients:

The law of 23 July 1908 renders null and void all contracts that charge interest that is 'significantly above the normal rate for money and is manifestly disproportionate'. However, there is no legal definition in Spain of how to calculate usuary rates of interest. Reference must therefore be made to case law.

Supreme Court decision of 4 March 2020:

The Court ruled that in order to establish usury, the contract rate has to be compared with the rates published by the Bank of Spain, which represent the market average. The comparison has to be made for each product. In that case, an almost 7-point difference between contract and Bank of Spain rates was to be considered disproportionate and therefore usurious.

Supreme Court decision of 4 May 2022:

In its decision the Court confirmed that the contract rate must be compared with the average rate charged on the same type of product at contract execution. In that case, the Court ruled that the average rates applied for revolving loans by major banks were between 20% and 26%. A contract with a 24.51% fixed rate was not usurious. Case law upheld by a decision of 4 October 2022.

Supreme Court order of 15 February 2023:

This was a full-bench order and therefore more authoritative than a judgment by a single chamber. The order confirmed that contract rates must be compared with average Bank of Spain rates for the same product and that the rate to be compared is the APR and not the rates published by the Bank of Spain, since these do not include commission, which is added in the APR.

The Bank of Spain has published product-specific average interest rates since 2010. Before that date, the rates reported in 2010 apply.

The case concerned a credit card contract opened in 2004. The Court stated that interest on such contracts is significantly higher than the market average if the difference between the rate charged and the average market rate is over 6 points. The contract rate was 23.9 (APR) compared with an average rate of just over 20%. Since the difference was under 6 points, the rate was not usurious.

A provision in respect of the usury was recognised within the provision for risk and expenses, which amounted to €35m at 31/12/2023.

The number of subpoenas received in fiscal 2023 was down sharply compared with 2022.

⌦ Ongoing acquisition of the Cetelem business in Hungary:

Acquisition of the Cetelem business in Hungary by Cofidis group with the signature of an acquisition agreement in May 2023. Validation of the acquisition is subject to several regulatory hurdles relative to the Hungarian jurisdiction:

- submission of a pre-notification with the Hungarian economics ministry and the foreign investment department.
- submission of a pre-notification file with the Hungarian national bank
- submission of an acquisition file with the Hungarian anti-trust authority

We are awaiting legal notifications and authorisations from the Hungarian governmental bodies.

As of 31 December 2023, there is no impact on the financial statements of Cofidis Group (excluding hedging transactions), as the acquisition of the activities of CETELEM in Hungary is subject to the response of the Hungarian legal bodies and definitive notifications to finalise the transaction.

3 – POST-BALANCE SHEET EVENTS

On 31 January 2024, Cofidis SA acquired Carizy, the digital platform for used car sales. Cofidis SA acquired all of the capital and voting rights in Carizy. Given the scale of the Cofidis Group, this acquisition did not have a significant impact on the accounts to end-December 2023.

Crédit Mutuel Alliance Fédérale, via the Banque Fédérative du Crédit Mutuel, on 11 April 2024 acquired an additional 20% of Cofidis Group.

4 – RELATED PARTY DISCLOSURES

Parties related to Cofidis Group are:

- consolidated companies,
- the company controlling Cofidis Group, Banque Fédérative du Crédit Mutuel,
- entities controlled by the same parent company: other Crédit Mutuel group entities,
- other related parties: entities in the Argosyn group,
- the senior management of Cofidis Group and its shareholders.

Cash flows with consolidated companies under exclusive control, considered related parties, are removed from the consolidated financial statements and are therefore not presented below:

Balance sheet position in €k	TOTAL	Parent company	Controlled entities by the same parent company	Other related parties
Derivative hedging instruments - Assets	150,917	137,820	13,097	0
Loans and advances to credit institutions	893,095	851,201	41,894	0
Accruals and miscellaneous assets	3,319	0	1,274	2,045
TOTAL ASSETS	**1,047,331**	**989,021**	**56,266**	**2,045**
Derivative hedging instruments - Liabilities	60,774	57,290	3,484	0
Debts to credit institutions	15,339,319	15,318,228	21,091	0
Debts represented by a security	50,068	50,068	0	0
Accrued charges and deferred income and miscellaneous liabilities	29,425	24	28,759	642
Subordinated debt	200,657	200,657	0	0
TOTAL LIABILITIES	**15,479,586**	**15,425,610**	**53,334**	**642**
RECEIVED COMMITMENTS	**9,119,000**	**8,679,000**	**440,000**	**0**
GIVEN COMMITMENTS	**8,824**	**0**	**8,824**	**0**

Income and expenses in €k	TOTAL	Parent company	Controlled entities by the same parent company	Other related parties
Interest and similar income	295,558	277,564	17,994	0
Net gain/loss on commission	229,910	-2,869	233,197	-418
Net gain/loss on portfolios at FV through profit or loss	0	0	0	0
Gains or losses on other assets	46	0	-2	48
TOTAL INCOME	**525,514**	**274,695**	**251,190**	**-370**
Interest and similar expenses	657,761	652,845	4,917	0
Operating expense	107,631	0	108,003	-371
TOTAL EXPENSES	**765,393**	**652,845**	**112,919**	**-371**

Transactions with the directors of Cofidis Group are limited exclusively to employee benefits (§ VIII).

5 - CONSOLIDATION SCOPE AND METHODS

5.1 Scope

The consolidated financial statements for Cofidis Group bring together all the companies under exclusive control, under joint control or under significant influence. These companies are consolidated according to the full consolidation and equity methods, respectively.

The consolidated financial statements include the financial statements of Cofidis Group and those of all its subsidiaries:

Companies	Country of registration	Consolidation method	% holding at 31/12/2022	% holding at 31/12/2023
Cofidis Group	France			
COFIDIS SA and branches	France, Spain, Portugal, Hungary, Italy, Poland, Slovakia	Full consolidation	99.99	99.99
CREATIS SA	France	Full consolidation	99.99	99.99
COFIDIS Belgium	Belgium	Full consolidation	99.99	99.99
COFIDIS Czech Republic	Czech Republic	Full consolidation	99.99	99.99
SYNERGIE	France	Full consolidation	99.98	99.98
Monabanq France	France	Full consolidation	99.99	99.99
MARGEM SEGUROS	Portugal	Full consolidation	99.99	99.99

5.2 Concepts of control

In accordance with international standards, all entities under full control, joint control or significant influence are consolidated.

- **Fully controlled entities:** full control is presumed if the Group controls the entity, is exposed or entitled to variable returns through its links with the entity and is able to exercise its control over the entity in such a way as to influence the returns it obtains. The financial statements of fully controlled entities are fully consolidated.

- **Jointly controlled entities:** this means the contractually agreed sharing of control over an entity, which exists only when decisions concerning key activities require the unanimous agreement of all the controlling parties. Two or more parties that exercise joint control constitute a partnership, which is either a joint operation or a joint venture:

• a joint operation is a partnership in which the parties that exercise joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the entity: they recognise assets, liabilities, income and expense in line with their holdings in the entity;

• a joint venture is a partnership in which the parties that have joint control of the arrangement have rights to the net assets of the entity: a joint venture is accounted for by the equity method.

- **Entities subject to significant influence:** these are not controlled by the consolidating entity, which nevertheless is entitled to take part in deciding financial and operating policies. The Group accounts for securities and entities over which it has significant influence by the equity method.

5.3 Consolidation methods

The consolidation methods used are:

- **Full consolidation:** share value is replaced by the assets and liabilities of the subsidiary, while minority interests are recognised in equity and profit and loss. It applies to all fully controlled entities, including those with a different accounting structure, regardless of whether the business is a direct extension of the consolidating entity.

- **Equity consolidation:** share value is replaced by the group's share of the equity and profit/loss of the entity concerned. It applies to all entities under joint control classified as joint ventures and for all entities over of which the Group exercises a significant influence.

5.4 Foreign currency transactions

Cofidis Group accounts are denominated in euro. The balance sheet for foreign subsidiaries and branches whose functional currency is not the euro is translated into euro at the exchange rate on the reporting date. Items in the income statement are translated using the average rate for the accounting period. Foreign currency translation adjustments are shown for consolidated companies that are not part of the euro zone (Cofidis Hungary, and Cofidis Ceska and Banco Cofidis Poland).

For the Group's interests, foreign currency translation adjustments are included in shareholders' equity under “Translation adjustments” and for third party interests under “Minority interests”.

The following parities were used to translate the financial statements of foreign subsidiaries and branches:

	Average rate 2023	Rate at end of period	Rate at start of period	Average rate 2022
Czech krona	0.0416657	0.0404465	0.0414662	0.0407163
Hungarian florin	0.0026195	0.0026123	0.0024946	0.0025579
Polish Zloty	0.2201649	0.2304413	0.2136387	0.2134709

5.5 Treatment of acquisitions and goodwill

In accordance with revised IFRS 3, at the acquisition date of the new entity, the acquiree's assets and liabilities as well as all its identifiable liabilities that meet the criteria for recognition under IFRS are measured at their fair value at the acquisition date, with the exception of non-current assets held for sale under IFRS 5, which are measured at the lowest carrying amount and fair value less costs to sell. Revised IFRS 3 allows an accounting method choice to recognise all or part of goodwill for each business combination. In the first case, the minority interests are measured at fair value (full goodwill method); in the second, they are measured at their proportionate share of the value of the acquiree's assets and liabilities (partial goodwill). If the goodwill is positive, it is entered in assets. If negative, it is immediately recognised in profit or loss under “Changes in the value of goodwill”.

In the event of an increase/decrease in the Group's percent holding in an entity it controls, the difference between the acquisition and disposal price of the securities and the proportionate share of consolidated equity represented by the securities on the acquisition/disposal date is recognised in equity.

Goodwill is presented on a separate line of the balance sheet under “Interests in affiliates” when the entities are consolidated under this method.

Goodwill does not include direct acquisitions costs, which are recognised in profit/(loss) under revised IFRS 3.

Goodwill is tested for impairment at regular intervals and at least once a year. These tests are aimed at ensuring that goodwill has not suffered impairment. When the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated is lower than its carrying amount, an impairment is recognised in the amount of the difference. This impairment, recognised in profit or loss cannot be reversed. The Group's CGUs are defined according to its business lines.

III. Accounting principles and policies

1 - FINANCIAL INSTRUMENTS UNDER IFRS 9

1.1 Revaluation of financial assets

Under IFRS 9, financial instruments are classified and measured according to the management model and contractual features of the instruments.

Loans, advances and debt securities acquired

The asset is recognised:

- at amortised cost, if held to collect the contractual cash flows and if its contractual characteristics are similar to a so-called basic contract which implies highly probable forecast cash flows (collection model),
- at fair value in equity if the instrument is held to collect cash flows or to sell as opportunities present, excluding trading, and if its characteristics are similar to those of a basic contract with implicit extremely predictable associated cash flows (collect and sell model),
- at fair value through profit or loss, if:
  - it is not eligible for inclusion in the two categories above (because it does not meet the "basic" criterion and/or because it is managed according to "other" business models),
  - the Group elects to class it as such by option, at inception and irrevocably. The purpose of this option is to reduce accounting treatment inconsistency relative to another linked instrument.
- Cash flow characteristics

Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are compatible with a basic contract.

In this type of contract, the interest payments primarily represent the time value of money (including where interest is negative) and credit risk. Interest may also include liquidity risk, the costs of administering the asset, and a commercial margin.

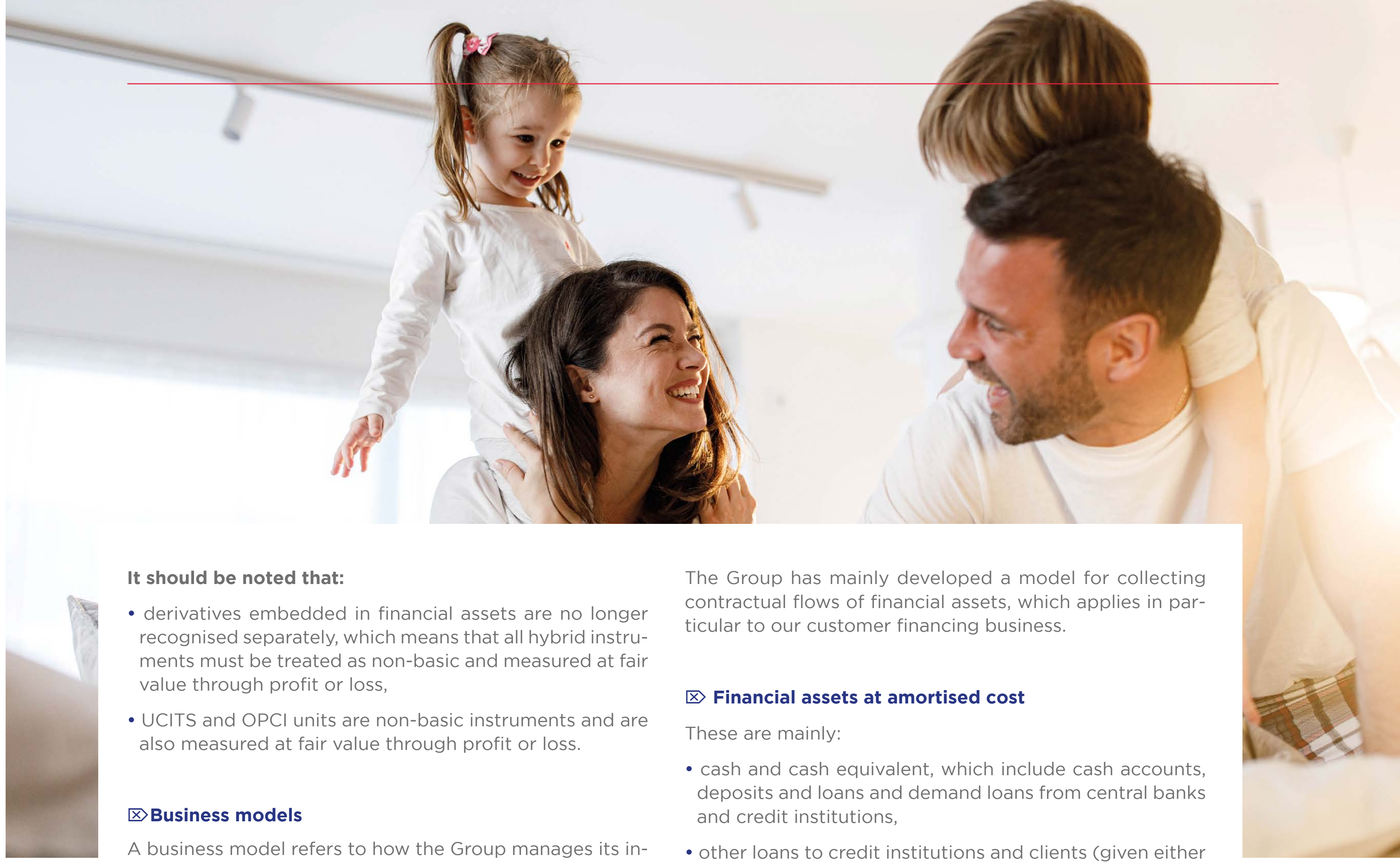
All contractual clauses have to be analysed, especially clauses that could change the payment schedule or the amount of contractual cash flows. The option given to the borrower or lender by the contract to repay the financial instrument early is compatible with the SPPI (*payment of principal and interest only*) nature of contract cash flows where the amount repaid is essentially the principal outstanding plus accrued interest and, where appropriate, reasonable compensation.

Compensation for early repayment is considered reasonable if:

- it is regulated or limited by competitive practices in the market,
- it is equal to the difference between the contract interest that would have been received up to loan maturity and the interest that would have been generated by reinvesting the amount repaid early at the reference rate,
- it is equal to the fair value of the loan or to the cost of unwinding an associated hedging swap.

The analysis of contractual cash flows can require comparison with those of a benchmark instrument, when the time value component of money included in the interest is subject to change due to the contractual clauses of the instrument. For example, if the interest rate on the instrument is periodically reviewed, but the review frequency is decorrelated from the term during which the interest rate is established (monthly review of a one-year rate, for instance), or if the interest rate is periodically reviewed on the basis of an average rate.

If the difference between the undiscounted contractual flows of the financial asset and those of the benchmark instrument are, or could become, significant, then the asset may not be considered basic.



It should be noted that:

- derivatives embedded in financial assets are no longer recognised separately, which means that all hybrid instruments must be treated as non-basic and measured at fair value through profit or loss,
- UCITS and OPCI units are non-basic instruments and are also measured at fair value through profit or loss.

Business models

A business model refers to how the Group manages its instruments to generate cash flows and revenue. It is based on observable facts, rather than on management's intention. The business model is not determined by entity or instrument by instrument, but at a level that reflects how groups of financial assets are managed collectively. It is determined at initial recognition and may be subsequently reviewed.

To decide the model, all available indicators are observed, including:

- how business is reported to Top Management,
- manager remuneration method,
- disposal frequency, timetable and volumes in previous periods,
- reasons for disposal,
- forecast future disposals,
- risk assessment method.

In a collect model, the standard explicitly gives examples of the types of disposals that are permitted:

- if credit risk increases,
- near maturity,
- extraordinary (e.g. liquidity stress).

These "permitted" disposals are not taken into account in the analysis of the significant and frequent nature of sales for a portfolio. Moreover, disposals due to changes in the regulatory or fiscal framework must be documented case-by-case to demonstrate that they are "infrequent".

The thresholds for other disposal cases are defined according to portfolio maturity (the Group does not sell its loans).

The Group has mainly developed a model for collecting contractual flows of financial assets, which applies in particular to our customer financing business.

Financial assets at amortised cost

These are mainly:

- cash and cash equivalent, which include cash accounts, deposits and loans and demand loans from central banks and credit institutions,
- other loans to credit institutions and clients (given either directly or as a proportion of a syndicated loan), not recognised at fair value through profit or loss
- part of the securities held by the Group.

The financial assets in this category are classified at fair value on initial recognition, which is generally the amount disbursed. The rates applied to loans granted are assumed to be market rates, insofar as rates are continuously adjusted in line with the rates charged by the majority of competing banks.

Assets are measured at amortised cost at subsequent reporting dates according to the effective interest rate method. The effective interest rate is the rate that exactly discounts the future cash inflows or outflows over the estimated life of the financial instrument to obtain the carrying amount of the financial asset or liability. This rate includes estimated cash flows excluding future loan losses and includes commissions paid or received when they are similar to interest, directly attributable transaction costs, as well as all premiums and discounts.

For securities, the amortised cost includes amortisation of premiums and discounts, as well as acquisition costs, where they are significant. Purchases and sales of securities are recognised on the settlement date.

Revenue is recognised under Interest and similar income in the Income Statement.

Commission directly related to the setting up the loan, whether received or paid, which is similar to interest, are spread over the term of the loan according to the effective interest rate method and posted to the income statement under Interest.

Commission received as part of renegotiating the terms of a loan for commercial reasons are spread.

The fair value of assets at amortised cost is reported in the notes to the financial statements on each reporting date. It reflects the discounted estimated future cash flows based on a zero coupon rate curve, which includes the inherent obligor signing cost.

⌦Financial assets recognised at fair value through equity

As the Group does not sell its loans, this category only comprises securities. They are recognised in the balance sheet at fair value on the acquisition date and on subsequent reporting dates, until they are sold. Changes in fair value are entered under a specific equity heading, "Unrealised or deferred gains or losses", excluding accrued income. These unrealised gains or losses recognised in equity are only posted to the income statement if sold or impaired (see §"1.6. Derecognition of financial assets and liabilities, and "1.7. Assessing credit risk").

Accrued or earned revenue is recognised in the income statement, using the effective interest rate method, under "Interest and similar income".

⌦ Financial assets recognised at fair value through profit or loss

They are recognised in the balance sheet at fair value on the acquisition date and on subsequent reporting dates, until they are sold (see §"1.6. Derecognition of financial assets and liabilities"). Changes in fair value and income received or accrued on assets classified in this category are recognised in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

Purchases and sales of securities measured at fair value are recognised on the settlement date. Changes in fair value between the transaction date and the settlement date are recognised in profit or loss.

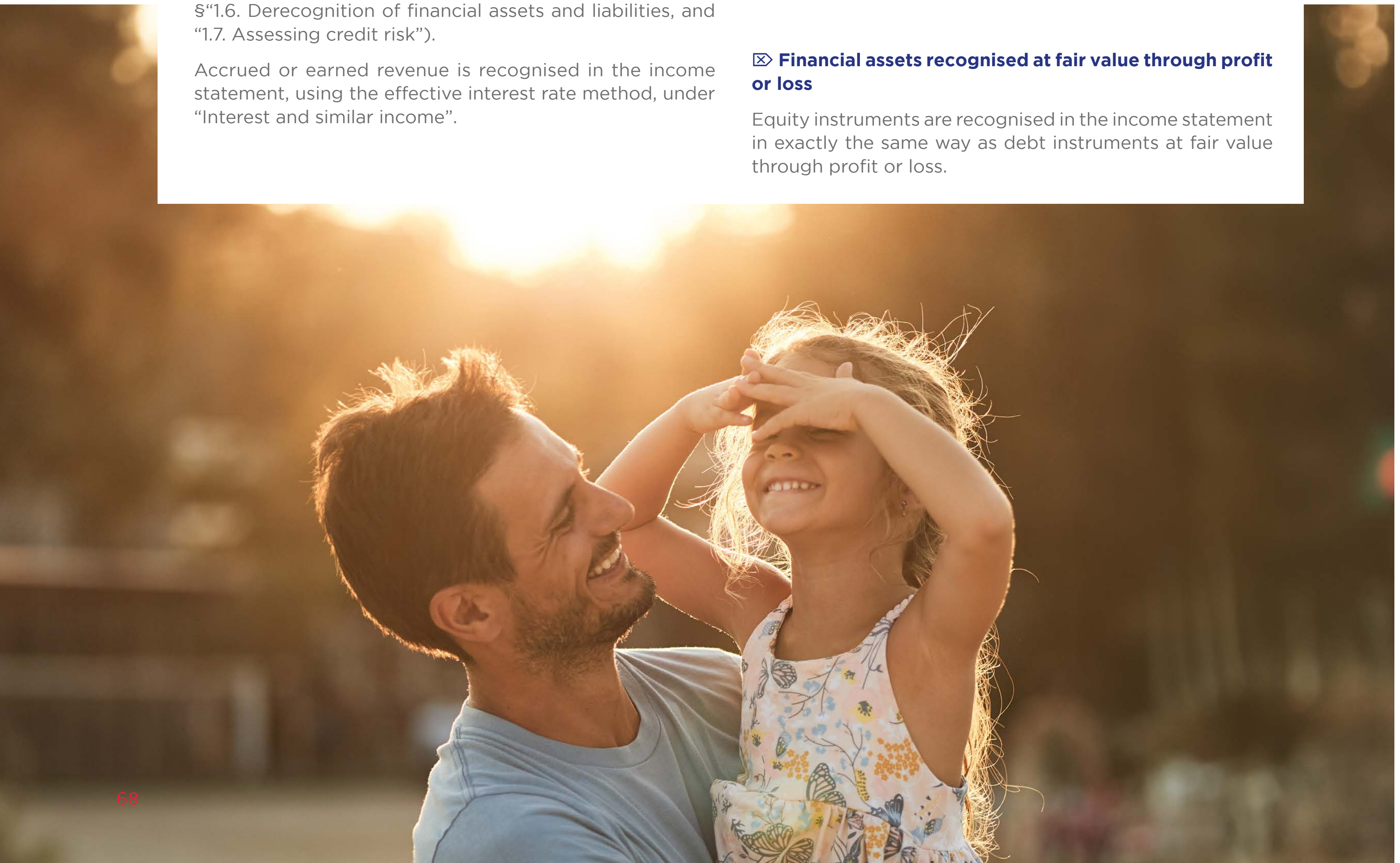
ACQUIRED EQUITY INSTRUMENTS

Acquired equity instruments (notably shares) are classified:

- at fair value through profit or loss, or
- optionally at fair value through equity at initial recognition and irrevocably.

⌦ Financial assets recognised at fair value through profit or loss

Equity instruments are recognised in the income statement in exactly the same way as debt instruments at fair value through profit or loss.



1.2. Classification and measurement of financial assets

Financial liabilities are classified in one of these two categories:

⌦ financial liabilities at fair value through profit or loss

- liabilities incurred for transaction purposes, including, by default, derivative liabilities that are not classed as hedging instruments,
- non-derivative financial liabilities that the Group classified on initial recognition at fair value through profit or loss (fair value option). This includes:
  - financial instruments containing one or more embedded derivatives that can be separated,
  - instruments for which the accounting treatment would be inconsistent with another linked instrument if the fair value option were not applied,
  - instruments belonging to a group of financial assets measured and managed at fair value.

⌦financial liabilities at amortised cost

These include other non-derivative financial liabilities. This concerns debts to clients and credit institutions, debts represented by a security (savings bonds, interbank market securities, bonds, etc.) and term or perpetual subordinated debt, for which the fair value through profit or loss option was not elected.

Subordinated debt is separate from other liabilities represented by a security, because, in the event of liquidation of the obligor, it can only be repaid after payment of the other creditors. Senior preferred securities created by the Sapin 2 Act are classified under debts represented by a security.

These liabilities are recognised at fair value on initial recognition on the balance sheet. At subsequent reporting dates, they are valued at amortised cost using the effective interest rate method. The initial fair value of issued securities is their issue value, less transaction costs, where relevant.

REGULATED SAVINGS ACCOUNTS

Home savings accounts (CEL - comptes épargne logement) and home savings plans (PEL - plans épargne logement) are French regulated products available to clients (individuals). These products combine an interest-bearing savings period and a second period when the holder is eligible to apply for a mortgage. They generate two types of commitments for the bank:

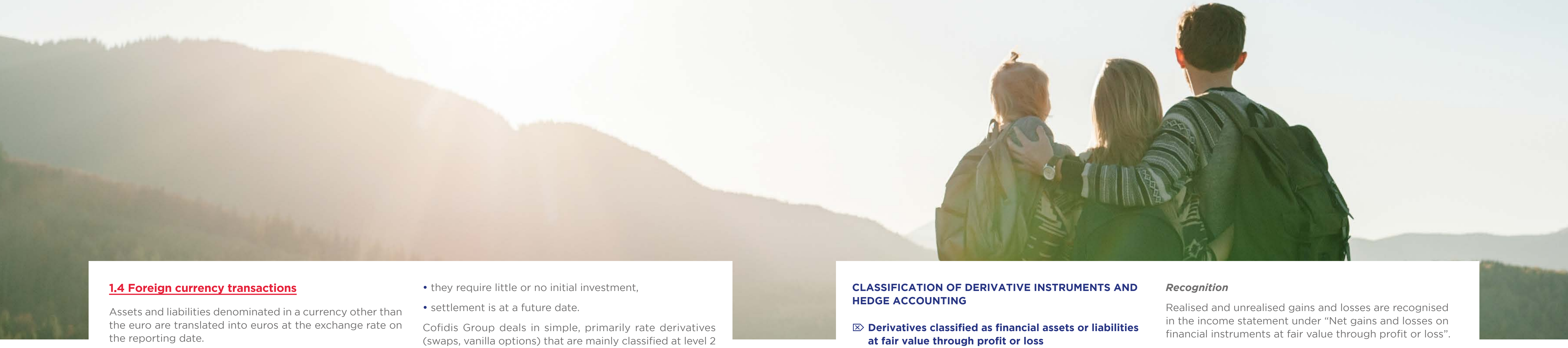
- to pay future interest on savings at a fixed rate (only on PELs; the rate of remuneration of CELs is similar to a floating rate that is revised periodically according to an indexation formula);
- to give loans to requesting clients on set terms (PEL and CEL).

These commitments have been estimated on the basis of statistics on customer behaviour and market data. A provision is recorded on the liabilities side of the balance sheet to cover future expenses related to potentially unfavourable conditions for these products, compared with the interest rates offered to retail clients for similar products where the return is not regulated. This approach is carried out by a homogenous group of PEL and CEL accounts. The impacts on profit or loss are included under interest paid to clients.

1.3 Distinction between debt and equity

According to IFRIC 2, members' shares of equity are equity if the entity has an unconditional right to refuse redemption, or if local laws, regulations, or the entity's governing charter imposes prohibitions on redemption. Due to the provisions of the existing by-laws and legal provisions, the company's shares, issued by the structures composing the consolidating entity of the Crédit Mutuel group, are recognised in equity.

The other financial instruments issued by the Group are qualified debt instruments once there is a contractual obligation for the Group to deliver cash to the holders of the securities, which is the case of the subordinated securities issued by the Group.



1.4 Foreign currency transactions

Assets and liabilities denominated in a currency other than the euro are translated into euros at the exchange rate on the reporting date.

MONETARY ASSETS OR LIABILITIES

Exchange gains or losses from these translations are recognised in the Income Statement under "Net portfolio gains or losses at fair value through profit or loss".

NON-MONETARY ASSETS OR LIABILITIES

Exchange gains or losses from these translations are recognised in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss" if the item is classified at fair value through profit or loss or is among the most or least unrealised or deferred losses in the case of financial assets at fair value through equity.

1.5 Derivative instruments and hedge accounting

IFRS 9 allows entities to elect, on first adoption, to apply the new provisions on hedge accounting or to maintain the provisions of IAS 39.

The Group has elected to maintain the IAS 39 provisions. The Notes to the Financial Statements and the Management Report do however contain additional information on risk management and the impact of hedge accounting on the financial statements, as required under the revised version of IFRS 7.

In addition, the provisions of IAS 39 to hedge the interest risk of a portfolio of financial assets or liabilities, as adopted by the EU, continue to apply.

Derivative financial instruments present the three following characteristics:

- their value fluctuates in line with variation in the underlying (interest rate, exchange rate, shares, index, commodity, credit rating, etc.),
- they require little or no initial investment,
- settlement is at a future date.

Cofidis Group deals in simple, primarily rate derivatives (swaps, vanilla options) that are mainly classified at level 2 of the value hierarchy.

All derivative financial instruments are recognised at fair value in the balance sheet under financial assets or liabilities. By default, they are posted as held for trading, unless designated as hedging instruments.

CALCULATING THE FAIR VALUE OF DERIVATIVES

The bulk of over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are measured using standard, commonly accepted models (discounted future cash flow (DFCF) method, Black and Scholes model, interpolation techniques) based on observable market inputs (e.g. yield curves). Valuations calculated based on these models are adjusted for the liquidity and credit risks associated with the instrument or parameter, for specific risk premiums intended to offset certain additional costs that would arise from the dynamic management strategy in relation with the model under certain market conditions, and for counterparty risk present in the positive fair value of OTC derivatives. This latter includes the own counterparty risk present in the negative fair value of OTC derivatives.

When making fair value adjustments, each risk factor is considered individually and no diversification effects between risks, parameters or models of a different nature are taken into account. The Group usually takes a portfolio approach to a given risk factor.

Derivatives are recognised in financial assets when the market value is positive, and in liabilities when it is negative.

CLASSIFICATION OF DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

⌦ Derivatives classified as financial assets or liabilities at fair value through profit or loss

The default category for all derivative instruments not designated as hedging instruments under IFRS is "Financial assets or liabilities at fair value through profit or loss", even if, economically speaking, they were taken out to hedge one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument which, when separated from its host contract, meets the definition of a derivative instrument. It modifies some cash flows in a similar way to a derivative instrument.

This derivative is separated from the host contract and recognised separately as a derivative instrument at fair value through profit or loss when the following conditions are fulfilled:

- it meets the definition of a derivative;
- the hybrid instrument hosting the embedded derivative is not recognised at fair value through profit or loss,
- the financial characteristics of the derivative and its associated risks are not closely linked to the host contract.
- the separate valuation of the embedded derivative that is to be separated is sufficiently reliable to constitute relevant information.

Under IFRS 9, only embedded derivatives attached to financial liabilities can be separated from the host contract for separate recognition.

Recognition

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".

⌦Hedge accounting

Risks hedged

The Group only hedges interest rates. As such, it uses micro-hedging, or more broadly, macro-hedging techniques. Micro-hedging partially hedges the risks attaching to an entity's assets and liabilities. It applies specifically to one or more assets or liabilities for which the entity uses derivatives to hedge the risk of an adverse change in a type of risk. Macro-hedging is broader and aims to protect all of the Group's balance sheet against adverse developments, especially unfavourable movements in rates. Our overall approach to managing rate risk is described in the management report, together with how we manage other risks (forex, credit, etc.) that could be hedged by natural matching of assets/liabilities or the recognition of derivatives for trading. We mainly use asset swaps for micro-hedging, with the general aim of converting a fixed-rate instrument into a floating-rate instrument.

There are three types of hedging relationships, which depend on the type of the risk being hedged.

- A fair value hedge: to hedge exposure to changes in the fair value of financial assets or liabilities.
- Cash flow hedges protect against variations in cash flow from/to financial assets and liabilities, firm commitments and future transactions.
- Hedges of net currency investments are recognised as cash flow hedges.

Hedging derivatives must meet the specified criteria in IAS 39 to be classed as hedging instruments. The main criteria are:

- both the hedging instrument and the hedged item must be eligible for hedge accounting;
- the link between the hedged item and the hedging instrument must be officially document at the start of the hedge. This document specifies the entity's risk management objective and strategy for undertaking the hedge, the nature of the risk being hedged, the underlying strategy and how the entity will assess the hedging instrument's effectiveness;
- the effectiveness of the hedge must be demonstrated at the start of the hedge and subsequently throughout its life, at least at each closing. The relationship between changes in value or cash flows of the hedging instrument and of the hedged item must be within a range of 80% to 125%.

If necessary, hedging accounting can be discontinued prospectively.

Fair value hedging of specified financial assets and liabilities

In the case of a fair value hedging relationship, derivatives are remeasured at fair value through profit or loss under the heading “Net gains or losses on financial instruments at fair value through profit or loss" symmetrically to the re-measurement of the hedged items up to the limit of the hedged risk. This rule also applies if the hedged item is recognised at amortised cost or if it is classified under “Financial assets at fair value through equity”. Since the changes in the fair value of the hedging instrument and of the hedged item partially or totally offset each other, only the hedge ineffectiveness is recognised in profit or loss.

The part corresponding to the rediscount of the derivative instrument is posted to the income statement under “Interest income and expenses”, symmetrically to the interest income or expenses relating to the hedged item.

If the hedge is interrupted or compliance with efficiency criteria should fail, hedge accounting will no longer be applied on a forward basis. The hedging instruments are transferred to “Financial assets at fair value through profit or loss” and recognised according to the principles applicable to this category. The balance sheet value of the hedged item is no longer adjusted to reflect the changes in fair value. In the case of identified interest rate instruments initially hedged, the re-measurement is amortised over the remaining term. If the hedged items is removed from the balance sheet, due to early redemption, for example, the cumulative adjustments are immediately recycled to the income statement.

Macro-hedging derivatives

The Group uses the options offered by the EC to account for its macro-hedging transactions. The EU'S “carve-out” amendments to IAS 39 allow entities (i) to include customer demand deposits in portfolios of hedged fixed-rate liabilities and (ii) not to measure ineffectiveness if under-hedged. Demand deposits are included according to the runoff laws defined for managing the balance sheet.

For each portfolio of financial assets or liabilities at a fixed rate, the maturity schedule of the hedging derivatives is matched with that of the hedged items to make sure there is no over-hedging.

The accounting treatment of macro-hedging derivatives is similar to that of fair value derivatives.

The change in the fair value of hedged portfolios is recognised on a separate line of the balance sheet under “Re-measurement surplus for rate hedging portfolios”, through the counterpart of the income statement.

Cash flow hedges

Cash flow hedging derivatives are remeasured at fair value on the balance sheet, with a contra in equity for the effective portion. The ineffective portion is recognised in the income statement under “Net gains and losses on financial instruments at fair value through profit or loss”.

The amounts posted to equity are recycled to the income statement, under "Interest income and expenses", as the flows attributable to the hedged item affect profit or loss.

Hedged items remain accounted for in accordance with the rules specific to their accounting category. If the hedging relationship ends or the effectiveness criteria are no longer met, hedge accounting is discontinued. The amounts accumulated in equity, in respect of the re-measurement of the hedging instrument, are retained in equity until the hedged item affects profit or loss or until it is determined that the transaction will not occur. These amounts are then transferred to profit or loss.

If the hedged item disappears, the cumulative amounts recognised in equity are immediately transferred to profit or loss.

1.6 Derecognition of financial assets and liabilities

A financial asset (or group of similar assets) is derecognised in whole or in part when the contractual rights to the cash flows associated with it expire or when the Group transfers these contractual rights to the cash flows from the asset, and when practically all the risks and benefits associated with this financial asset are transferred.

On the derecognition of:

- a financial asset or liability at amortised cost or at fair value through profit or loss, a disposal gain or loss is recognised in the income statement in an amount equal to the difference between the carrying amount of this asset or liability and the value of the consideration received or paid,
- a debt instrument at fair value through equity, the contingent gain or loss previously recognised through equity will be carried to profit or loss, as will the disposal gain or loss
- an equity instrument at fair value through equity, the contingent gain or loss previously recognised through equity and disposal gain or loss will be carried to the consolidated reserves profit or loss without any posting to the income statement.

The Group derecognises a financial liability when the obligation under the contract is extinguished, cancelled or expired. A financial liability may also be derecognised if there are material changes to the contractual conditions or if it is exchanged with the lender for an instrument with substantially different contractual terms.

1.7 Credit risk assessment

The impairment model in IFRS 9 is based on the premise of providing for expected losses, while the model in IAS 39 is based on actual credit losses. When the financial crisis hit, taking the IAS 39 impairment approach was found to lead too late and to an under-appreciation of credit losses. Under IFRS 9, for financial assets for which there is no objective evidence of impairment on an individual basis, impairments are booked based on information on past losses and reasonable and supportable forecasts of future cash flows.

This new IFRS 9 impairment model will apply to all debt instruments measured at amortised cost or at fair value through equity, according to the three-bucket approach:

- **Bucket 1:** impairment based on the credit loss expected at 12 months (default in the next 12 months) on issued or purchased instruments, from their posting to the balance sheet, of the financial assets, and if there has been no material increase in credit risk since initial recognition.
- **Bucket 2:** impairment based on the credit loss expected at maturity (default during the remaining life of the instrument) must be recognised if there is a material increase in credit risk after initial recognition,
- **Bucket 3:** contains all impaired financial assets for which there is objective indication of loss of value associated with an event that occurred after the loan was granted. This category is equivalent to the scope of debt instruments currently impaired on an individual basis under IAS 39.

For buckets 1 and 2, the basis for calculating interest income is the gross asset value before impairment. For bucket 3, this is the net value after impairment.

Governance

The models used for allocation between the three buckets, the prospective scenarios and the parameter calculation methods constitute the methodological basis for the Group's impairment calculations. They are approved at the highest level of management for application in all entities as appropriate for the portfolios concerned. This core methodology, and any change to our methods, to how scenarios are weighted or how parameters or provisions are calculated must be approved by Cofidis Group's governing bodies.

A significant increase in credit risk is measured:

- based on all reasonable and supportable information,
- by comparing the default risk on the financial instrument at closing and at initial recognition.

At Group level, this means measuring the borrower's risk, after measuring the change in risk for each contract.

To define the threshold between buckets 1 and 2:

- the Group will rely on models developed for prudential purposes and on the assessment of default risk at 12 months (in the form of a default score or rate), as permitted by the standard.
- it will add to this quantitative data quality criteria, such as bad debts/arrears over 30 days, restructured loans etc.
- less complex methods will be used for entities and small portfolios that have been prudentially classified using the standard method and are not rated.

In 2018 the Group's operations work mainly aimed to:

- define the thresholds between buckets 1 and 2 for the different exposure classes and the methodology for incorporating forward-looking information in the parameters. For the probability of default, the model will use three scenarios, optimistic, neutral and pessimistic) and weight them based on how the Group expects the economic cycle to evolve over the five-year period.
- document the entire set of rules,
- complete the overhaul of the IT system.

1.8 Determining the fair value hierarchy of financial instruments

The fair value is the amount for which an asset could be sold or a liability transferred, between knowledgeable, willing parties in an arm's length transaction.

When the instrument is initially recognised, the fair value is generally the transaction price.

For subsequent measurements, the fair value must be determined. The method used varies according to whether the instrument is traded on a market that is active or not.

Instruments traded on an active market

When instruments are traded on an active market, the fair value is calculated based on quoted prices, as they represent the best evidence of fair value. A financial instrument is considered as listed on an active market if prices are easily and regularly available from a stock exchange, broker, trader or quotation system, and these prices represent actual transactions and take place regularly in arm's length transactions on the market.

Instruments traded on an inactive market

Observable inputs on a market are used, provided these inputs reflect realistic transactions under normal market conditions on the measurement date and provided there is no need to make significant adjustments to this value. In other cases, the Group uses "mark-to-model" non-observable inputs.

Where observable inputs are not available or when the adjustments to market prices have to be based on non-observable inputs, the entity may use internal assumptions about future cash flows and discount rates, including adjustments for risks that the market would incorporate. These valuation adjustments include risks that would not be taken into account by the model, liquidity risks associated with the instrument or parameter, specific risk premiums intended to offset certain additional costs that would arise from the dynamic management strategy in relation with the model under certain market conditions.

When making fair value adjustments, each risk factor is considered individually and no diversification effects between risks, parameters or models of a different nature are taken into account. The Group usually takes a portfolio approach to a given risk factor.

In all cases, adjustments are made by the Group in a reasonable and appropriate manner, using judgment.

Fair value hierarchy

There are three levels of fair value for financial instruments:

- **Level 1:** the prices quoted on markets that actively trade identical assets and liabilities. These include debt securities quoted by at least three contributors and derivatives quoted on an organised market.
- **Level 2:** market inputs other than Level 1 inputs for the asset or liability concerned that are observable directly (prices) or indirectly (inputs derived from prices); Level 2 includes interest rate swaps where the fair value is generally calculated using rate curves based on market rates observed on the reporting date.
- **Level 3:** data relating to the asset or liability that is not observable on the market (non-observable data). This category includes non-consolidated equity investments, whether or not held through venture capital entities, in trading activities, debt securities quoted by a single contributor and derivatives using mainly unobservable parameters. The instrument is classified in the same level of the hierarchy as the lowest level of the input significant to the overall fair value. Given the diverse range and volume of instruments valued in Level 3, the sensitivity of the fair value to changes in the parameters would not be material.

2 - DEFERRED TAXES

IAS 12 requires recognition of deferred taxes under the following conditions:

- a deferred tax liability must be recognised for all taxable temporary differences in the accounting value of an asset or liability on the balance sheet and its tax base, except to the extent that the deferred tax liability is generated by: the original recognition of goodwill, or initial recognition of an asset or liability in a transaction that is not a business combination, which, at the time of the transaction, does not affect the accounting or the taxable profit (tax loss);
- a deferred tax asset must be recognised for all deductible temporary differences, between the accounting value of an asset or liability on the balance sheet and its tax base, to the extent that it is likely that a taxable profit, on which these deductible temporary differences could be charged, will be available, unless the deferred tax asset was not generated by the initial recognition of an asset or a liability in a transaction that is not a business combination and that affects neither the accounting profit nor the taxable profit (tax loss) on the date of the transaction.
- a deferred tax asset must also be recognised for carrying forward unused tax losses and tax credits, to the extent that it is likely that there will be future taxable profit to which these unused tax losses and tax credits may be charged.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, to the extent that these rates have been adopted at the reporting date.

Capital gains on equity investments, as defined in the General Tax Code and subject to the long-term fiscal regime are exempt in financial years commencing 1 January 2007. Therefore, unrealised capital gains recorded on the reporting date do not generate temporary differences giving rise to the recognition of deferred taxes.

Deferred tax is recognised in net profit or loss for the period unless the tax is generated:

- by a transaction or an event that is directly recognised in equity, in the same period or a different period, in which case it is directly debited or credited to equity, or
- by a business combination.

Deferred tax assets and liabilities are offset if, and only if:

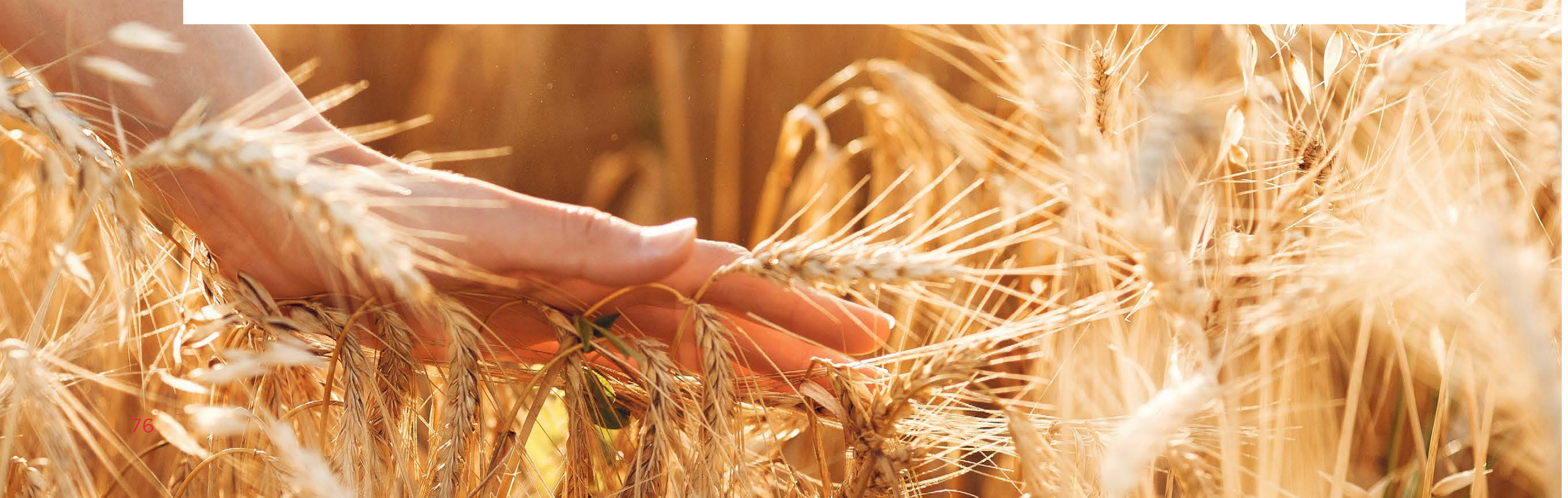
- the entity has a legally enforceable right to offset tax assets against payable tax liabilities,
- the deferred tax assets/liabilities in question concern profits tax levied by the same taxing authority on the same taxable entity or different taxable entities that intend to settle current tax amounts on a net basis or to realise the asset and settle the liability at the same time in each future financial year in which material deferred tax assets/liabilities are expected to be settled or recovered.

Calculations of deferred taxes are not discounted.

3 - FIXED ASSETS

In compliance with IAS 16, when a fixed asset is structured through components with different useful lives, these are recognised and depreciated as distinct items. The depreciable base takes account of any residual value of fixed assets.

When it appears from the terms of a lease contract in which Cofidis Group is lessee that practically all the risks and benefits inherent in ownership are transferred by the lessor to the lessee, the corresponding assets are recorded at the time of first recognition as tangible assets on Cofidis Group's balance sheet, in an amount equal to the fair value of the leased asset or the discounted value of the minimum payments made in respect of the lease, if this is lower. This sum is then reduced by depreciation and impairment recorded. The financial commitments arising from it are entered in financial debts.



Fixed assets are depreciated by the straight-line method over the foreseeable useful life of the assets. Principal useful lives selected:

- Land system developments: 15-30 years
- Constructions – structural works: 20-80 years (depending on type of building concerned)
- Constructions – equipment: 10-40 years
- Refurbishments and systems: 5-15 years
- Furniture and office equipment: 5-10 years
- Security equipment: 3-10 years
- Vehicles: 3-5 years
- IT hardware: 3-5 years
- Software - purchased or developed in-house: 1-10 years
- Acquired goodwill: 9-10 years (if purchase is of a portfolio of client contracts).

In accordance with IAS 36 (Impairment of assets), when events or changes in the market environment indicate a risk of impairment of intangible and tangible assets, those assets must be reviewed in detail to determine if their carrying amount is lower than their recoverable value, this being defined as the higher of the fair value (reduced by the disposal cost) and the value in use. The value in use is determined by discounting future cash flows expected from the use of the asset and its disposal.

Where the recoverable amount would be less than the carrying amount, an impairment loss is recognised for the difference between these two amounts. Impairment losses relating to intangible assets can be reversed subsequently if the recoverable value becomes greater than the carrying amount (up to the limit of the initially recognised depreciation).

The Cofidis Group's information on asset values (excluding goodwill) indicates that impairment tests would not alter the figures shown on the Balance Sheet as at 31 December 2023.

4 - GOODWILL

4.1 Initial recognition

Assets and liabilities acquired as part of a business combination are recognised according to the acquisition method: assets and liabilities are then recorded at fair value. The residual difference between the acquisition price and the re-valued assets and liabilities is recognised under "Goodwill", if necessary.

4.2 Impairment tests and Cash Generating Units (CGUs)

In accordance with revised IFRS 3 (Business combinations), goodwill is no longer subject to systematic annual depreciation: the net value of intangible items is subject to periodic analysis based on discounting future financial flows corresponding to the most probable assumptions made by Top Management. This impairment test is based on assumptions in terms of growth rate, discount rate and tax rate. The selected assumptions are based on business plans for future years. This valuation is carried out on an annual basis or when a significant event requires it. Depreciation is recognised when the measurement reveals undervaluing of the assessed intangible items.

To perform this impairment test, goodwill must be allocated to each of the CGUs, forming a unified group jointly generating identifiable cash flows and which are largely independent from the cash inflows generated by other asset groups. The value in use of these units is determined by reference to discounted net future cash flows. When the carrying amount of the CGU is greater than the value in use, an impairment loss is recognised for the difference and charged in the first instance to goodwill.

As part of its transition to IFRS, the Group considered that the legal entities constituted CGUs.

5 - PROVISIONS

Cofidis Group has identified all its obligations (legal or implicit), resulting from a past event, for which it is likely that settlement is expected to result in an outflow of resources, for which the timing or amount are uncertain but for which the estimate can be reliably determined.

In respect of these obligations, Cofidis Group has formed provisions to cover especially:

- employee benefit schemes,
- operating risk,
- disputes, and
- legal risk.

These provisions are estimated according to their nature, taking account of the most likely assumptions. The amount of the obligation, whether it is legal, regulatory or contractual, is discounted to determine the amount of the provision, once such discounting represents a significant feature.

6 - EMPLOYEE BENEFITS

6.1 – Employee benefits

Under IAS 19, employee benefits are grouped into four categories:

- short-term benefits,
- post-employment benefits,
- long-term benefits, and
- employee termination benefits.

Since 1 January 2012 these have been recognised in accordance with IAS 19R, which was applied early. The new provisions translate:

- in the case of defined employee termination benefits into: immediate recognition of contingent and deferred actuarial gains or losses in equity; plan changes recognised in profit or loss; liability discount rate applied to plan assets; and additional disclosures in the notes to the financial statements;

6.1.1 Short-term employee benefits

Short-term employee benefits include:

- salaries, remuneration and social security contributions,
- short-term paid absences (annual leave and sick leave),
- profit-sharing and bonuses,
- non-monetary benefits (medical care, housing, company cars etc.) for current employees.

All of these short-term benefits are recognised as costs for the period.

6.1.2 Post-employment benefits

Post-employment benefits essentially relate to retirement and are governed by arrangements classified into two categories:

- defined contribution schemes: schemes in which the Group's liability is limited to the payment of a contribution without any commitment as to the level of service provided. The contributions paid are recognised as costs in the accounting period.
- defined benefit schemes: schemes in which the Group either gives a formal undertaking or has an implicit obligation to deliver an amount or a particular level of benefits and accepts the associated medium or long-term risk.

The principle is that the cost of the post-employment benefits must be recognised as costs during the employee's period of employment and not at the time he/she actually receives the benefits:

- in a defined contributions scheme, the company is discharged from any obligation once it has paid its contributions to the funds. The cost of post-employment benefits therefore corresponds quite simply to the contributions over the period,
- in defined benefit schemes the cost of post-employment benefits depends firstly on changes in the value of the commitments given by the company during the period, and secondly on changes in the value of the fund assets.

A provision is recognised in the balance sheet liabilities in order to cover all the retirement commitments. The assessment, which is performed on a minimum annual basis incorporates demographic assumptions, early retirements, increases in salaries and discount and inflation rates.

When these schemes are financed by external funds meeting the assets definition of the scheme, the provision intended to cover the relevant commitments is reduced by the amount of the fair value of these funds.

The differences generated by changes in these assumptions and by differences between previous assumptions and what has actually occurred constitute actuarial gains and losses. When the scheme has assets, they are measured at fair value and their expected return is recognised in profit or loss. The difference between the actual return and the expected return is also an actuarial gain or loss.

Actuarial gains and losses are posted to unrealised or deferred gains or losses and recognised in equity. Scheme reductions and liquidations result in a change in the commitment, which is recognised in profit or loss for the period.

6.1.3 Employee termination benefits

These benefits are recognised if and only if the company is "demonstrably committed" to terminate the employment of one or more members of staff before the normal retirement age, or to provide these benefits following an offer made to encourage voluntary redundancy.

IAS 19 states that the company is "demonstrably committed" to a termination when, and only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal. It adds that such a plan must, as a minimum, indicate:

- the location, function and approximate number of people affected,
- the benefits provided for each function or professional grade,
- the date the plan will be implemented.

These benefits are subject to a provision at the end of the accounting period.

7 - EQUITY INSTRUMENTS: DEEPLY SUBORDINATED NOTES

7.1 Characteristics of super-subordinated equity

The French Financial Security Law ("Loi de Sécurité Financière") of 2003 introduced the possibility of issuing securities qualified as "deeply subordinated". These securities are perpetual and are therefore issued for a unlimited period, no repayment date being contractually established. In the event of the issuer going into official receivership, the eligibility of holders of such securities ranks lower than that of all other categories of bonds. Usually, the issuer has a repayment option starting from a given maturity date and is bound to pay interest to bearers of the securities when it proceeded to pay dividends during the accounting period.

7.2 Accounting treatment: nominal and interest expense

IAS 32 and IAS 39, relating to the presentation and recognition of financial instruments, distinguish between debt instruments and equity instruments, in particular based on the substance of the instruments' contractual characteristics.

According to IAS 32, a financial instrument for which repayment is not provided in own shares is an equity instrument if there is no contractual obligation to settle in cash or another financial asset under potentially unfavourable conditions for the issuer. When repayment of the capital is at the sole discretion of the issuer, the classification of issued securities as debt instruments or as equity instruments is determined on the basis of other rights attached to them. When repayment of the securities is at the discretion of the issuer, the securities are equity instruments.

Non-redeemable deeply subordinated notes, except at the issuer's initiative, and for which the payment of a coupon is not obligatory, constitute consolidated equity and are therefore recognised for the cash amount received.

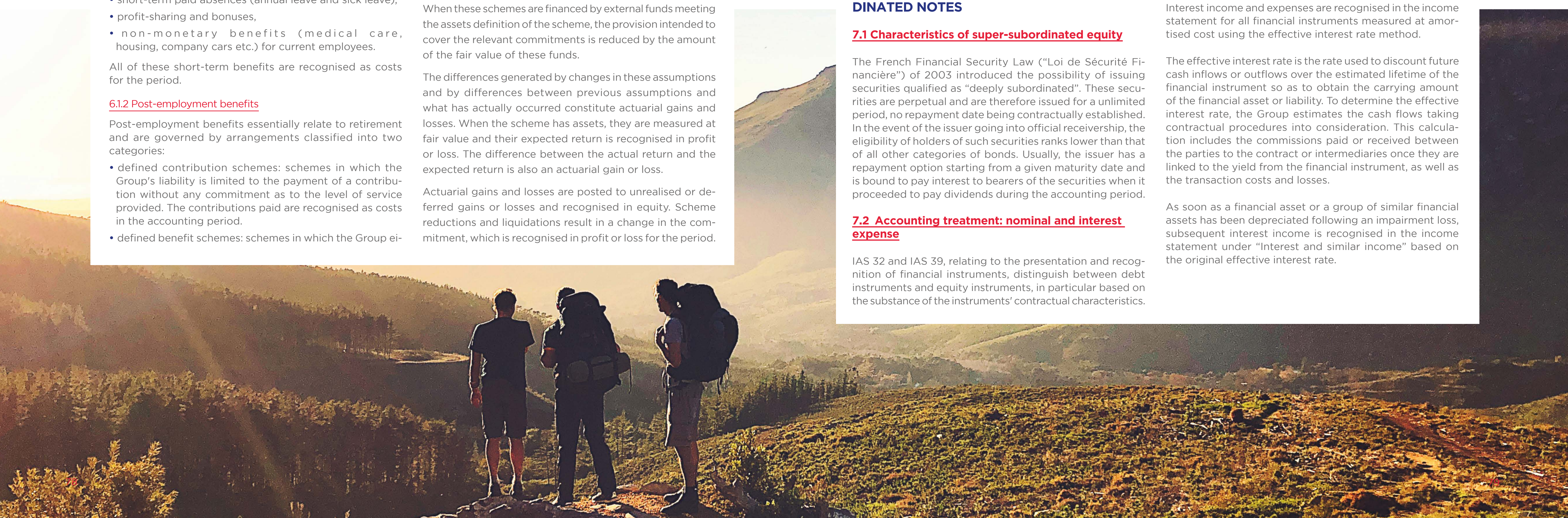
The coupons attaching to them are entered as financial expenses for the accounting period in the individual financial statements of the issuer and, in the consolidated financial statements, are carried over to reduce equity by the amount paid net of tax.

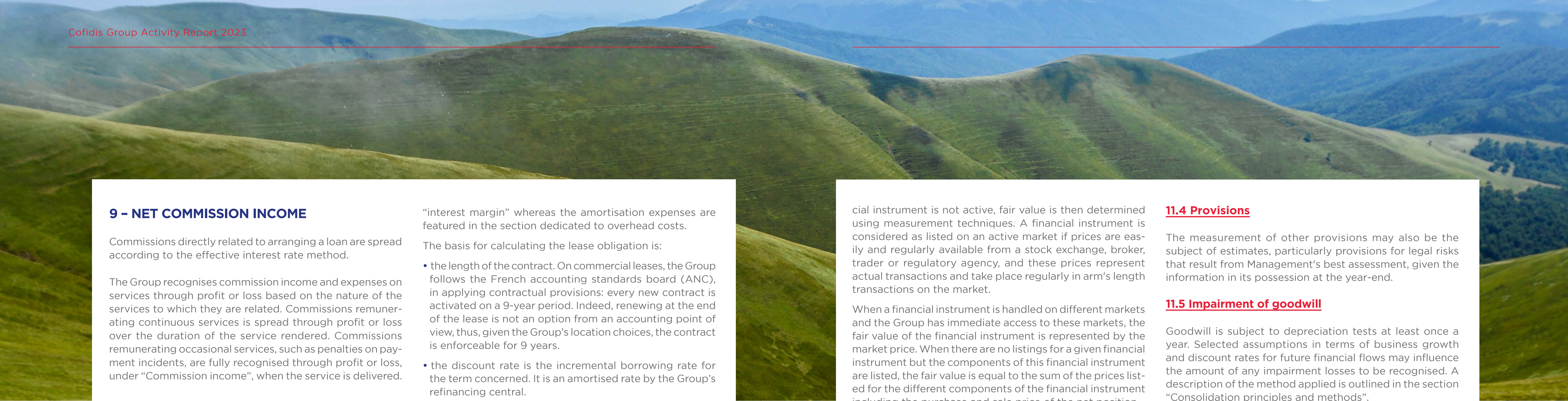
8 – INTEREST INCOME AND EXPENSES

Interest income and expenses are recognised in the income statement for all financial instruments measured at amortised cost using the effective interest rate method.

The effective interest rate is the rate used to discount future cash inflows or outflows over the estimated lifetime of the financial instrument so as to obtain the carrying amount of the financial asset or liability. To determine the effective interest rate, the Group estimates the cash flows taking contractual procedures into consideration. This calculation includes the commissions paid or received between the parties to the contract or intermediaries once they are linked to the yield from the financial instrument, as well as the transaction costs and losses.

As soon as a financial asset or a group of similar financial assets has been depreciated following an impairment loss, subsequent interest income is recognised in the income statement under "Interest and similar income" based on the original effective interest rate.





9 – NET COMMISSION INCOME

Commissions directly related to arranging a loan are spread according to the effective interest rate method.

The Group recognises commission income and expenses on services through profit or loss based on the nature of the services to which they are related. Commissions remunerating continuous services is spread through profit or loss over the duration of the service rendered. Commissions remunerating occasional services, such as penalties on payment incidents, are fully recognised through profit or loss, under "Commission income", when the service is delivered.

10 - LEASE CONTRACTS

Lease contracts, by definition, involve the recognition of an asset and the lessee's control over the right of use of this particular asset.

On the lessee side of the contract, simple lease contracts and financial lease contracts are recognised using the same template, which states:

- an asset representing the right to use the leased asset over the term of the contract,
- set against a liability representing the obligation to pay rent,
- straight-line depreciation of the asset and reducing-balance amortisation of interest expense in the Income Statement.

The Group mainly activates its property leases, except those that are automatically renewable (subject to 6 months' notice of termination). In compliance with the standards, the auto fleet was only retired when locally significant and the security and computer hardware were removed due to their substitutable nature.

Other implicit assets may have been excluded via short-term and low-value exemptions (fixed at €5k). No lease owned by the Group would lead to the regulation of intangible assets or investment properties.

Thus, rights of use are registered as "tangible assets", and lease obligations in "other liabilities". When they do not concern tacitly renewed contracts, lease rights are reclassified in tangible assets. Rights of use and lease obligations are subjected to deferred tax assets or liabilities for the net amount of taxable and deductible temporary differences.

In the income statement, interest expenses appear in the "interest margin" whereas the amortisation expenses are featured in the section dedicated to overhead costs.

The basis for calculating the lease obligation is:

- the length of the contract. On commercial leases, the Group follows the French accounting standards board (ANC), in applying contractual provisions: every new contract is activated on a 9-year period. Indeed, renewing at the end of the lease is not an option from an accounting point of view, thus, given the Group's location choices, the contract is enforceable for 9 years.
- the discount rate is the incremental borrowing rate for the term concerned. It is an amortised rate by the Group's refinancing central.
- rent ex-VAT. The Group is remotely concerned by variable lease payments.

11 – JUDGEMENTS AND ESTIMATES USED IN PREPARATION OF THE FINANCIAL STATEMENTS

By their very nature, the valuations used in preparation of the Financial Statements as at 31 December 2023 required the making of assumptions and involved risk and uncertainty as to their future realisation.

Assumptions can be influenced by many factors, particularly:

- national and international markets,
- fluctuations in interest and currency exchange rates,
- the economic and political environment in certain sectors of business and/or certain countries,
- changes to the law and regulations.

This list is not exhaustive.

Accounting estimates that require assumptions to be made are used principally for the following measurements:

11.1 Financial instruments valued at fair value

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value selected to measure a financial instrument is firstly the quoted market price for the financial instrument when it is listed on an active market. If a market for a financial instrument is not active, fair value is then determined using measurement techniques. A financial instrument is considered as listed on an active market if prices are easily and regularly available from a stock exchange, broker, trader or regulatory agency, and these prices represent actual transactions and take place regularly in arm's length transactions on the market.

When a financial instrument is handled on different markets and the Group has immediate access to these markets, the fair value of the financial instrument is represented by the market price. When there are no listings for a given financial instrument but the components of this financial instrument are listed, the fair value is equal to the sum of the prices listed for the different components of the financial instrument including the purchase and sale price of the net position.

If a market for a financial instrument is not active, its fair value is determined using measurement techniques. Depending on the financial instrument, these include using data from recent transactions, fair values of comparable financial instruments and valuation models based on discounting future cash flows.

11.2 Pension schemes and other future social benefits

Calculations relating to expenses associated with pensions and future financial benefits are based on assumptions for discount rates, staff turnover or rates of growth for salary and payroll charges, made by management. If the actual figures differ from the assumptions used, the expense associated with pensions can increase or decrease during future accounting periods.

Top Management also estimates the predicted yield rate for assets in these schemes. Estimated yields are based on the predicted yield from fixed payment securities, particularly the yield from bonds.

11.3 Impairment of advances to clients

The value of the "Loans and advances" entry is adjusted using a provision relating to depreciated advances when there is a proven risk of non-recovery for these debts.

The value of this provision is estimated on a discounted basis depending on a certain number of factors. It is possible that future credit risk assessments may differ significantly from current assessments, which could necessitate an increase or reduction in the amount of the provision.

11.4 Provisions

The measurement of other provisions may also be the subject of estimates, particularly provisions for legal risks that result from Management's best assessment, given the information in its possession at the year-end.

11.5 Impairment of goodwill

Goodwill is subject to depreciation tests at least once a year. Selected assumptions in terms of business growth and discount rates for future financial flows may influence the amount of any impairment losses to be recognised. A description of the method applied is outlined in the section "Consolidation principles and methods".

11.6 Uncertainty over Income Tax Treatments

On 7 June 2017 IFRIC 23 (Uncertainty over Income Tax Treatments) was published, coming into force on 1 January 2019.

The interpretation posits the assumption that tax authorities:

- will examine all amounts reported to them,
- have access to all necessary documentation and knowledge.

An entity must consider whether it is probable that the relevant authority will accept the tax treatment position and determine the consequences for the taxable profit or loss, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If there is uncertainty (in other words, if it is probable that the tax authority will not accept the particular tax treatment), the entity has to use the most likely amount or the expected value of the tax treatment based on the method that provides the best prediction of the amount due or receivable.

The scope of application of this text is limited to income tax (current or deferred). The Group considers that it will not lead to a change in current practice. The Group currently recognises a risk when a reassessment notice is received in respect of the entity, an associate entity or a third-party entity.

IV. Notes to the Consolidated Balance Sheet

1 - CASH ON HAND, BALANCES AT CENTRAL BANKS (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Accounts open at central banks	0	0
Cash and cash equivalent	9	27
TOTAL	**9**	**27**

2 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2023, financial assets at fair value through profit or loss totalled 336,000 euro. The Group holds no financial liabilities at fair value through profit or loss.

	31/12/2023	31/12/2022
Securities at fair value through profit or loss	336	97
TOTAL SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**336**	**97**

3 - DERIVATIVE INSTRUMENTS

3.1 - Derivative hedging instruments

At 31 December 2023, interest rate futures totalled 150,917,000 euro (assets) and 60,774,000 euro (liabilities). The portfolio was as follows:

- fixed rate payers hedging the risk on fixed rate loans,
- fixed rate receivers hedging the risk on variable-rate loans,
- interest rate options (especially caps) hedging the risk of a rise in the cost of financing variable rate loans if there is a major rate increase,
- fixed rate Hungarian florin and Czech crown currency payers hedging the Cofidis Hungary and Czech Republic refinancing risk.

Derivative hedging instruments – fair value (assets) (thousands of euro)

	31/12/2023				31/12/2022
	< 1 year	> 1 year and < 5 years	> 5 years	Total market value	
Swaps	119,581	31,337	0	150,917	321,547
Options	0	0	0	0	0
TOTAL	**119,581**	**31,337**	**0**	**150,917**	**321,547**

	31/12/2023	31/12/2022
Cash flow hedging derivative instruments	15,840	39,433
Foreign exchange rate derivative hedging instruments	0	525
Derivative fair value hedging instruments	135,078	281,590
TOTAL	**150,917**	**321,547**

Derivative hedging instruments – fair value (liabilities) (thousands of euro)

	31/12/2023				31/12/2022
	< 1 year	> 1 year and < 5 years	> 5 years	Total market value	
Swaps	39,106	18,377	3,292	60,774	7,524
Options	0	0	0	0	0
TOTAL	**39,106**	**18,377**	**3,292**	**60,774**	**7,524**

	31/12/2023	31/12/2022
Cash flow hedging derivative instruments	14,688	6,616
Foreign exchange rate derivative hedging instruments	0	0
Derivative fair value hedging instruments	46,086	908
TOTAL	**60,774**	**7,524**

Hedging strategy is explained in detail in Note IX (Risk exposure and hedging policy).

(1) For fair value hedging, refer to § III.1.5.

3.2 Fair value hierarchy for financial instruments

There are three levels of fair value for financial instruments, according to the definitions in IFRS 7:

- **Level 1:** quoted prices for identical assets and liabilities;
- **Level 2:** market inputs other than Level 1 inputs for the asset or liability concerned that are observable directly (prices) or indirectly (inputs derived from prices);
- **Level 3:** inputs on the asset or liability that are not based on observable market inputs (non-observable inputs).

	Level 1	Level 2	Level 3	Total	Transfers N1 ➡ N2	Transfers N2 ➡ N1
Financial assets						
Assets recognised at fair value through profit or loss		336		336	0	0
Derivative hedging instruments	0	150,917	0	150,917	0	0
TOTAL	**0**	**151,254**	**0**	**151,254**	**0**	**0**
Financial liabilities						
Derivative hedging instruments	0	60,774	0	60,774	0	0
TOTAL	**0**	**60,774**	**0**	**60,774**	**0**	**0**

3.3 Re-measurement surplus for rate hedged portfolios

	Fair value 31/12/2023	Fair value 31/12/2022	Change in fair value
Fair value of interest rate risk, by portfolio			
of financial assets	-74,272	-273,389	199,117
of financial liabilities	0	0	0

4 - SECURITIES AT AMORTISED COST

	31/12/2023	31/12/2022
Securities at fair value through profit or loss	336	97
TOTAL SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**336**	**97**
Certificates of membership of deposit guarantee funds	1,647	1,357
TOTAL SECURITIES AT AMORTISED COST	**1,647**	**1,357**

	FV of assets not written down	FV of assets written down	Net carrying amount
Central administrations	0	0	0
Credit institutions	1,984	0	1,984
Non-credit institutions	0	0	0
Corporations	0	0	0
Retail clients	0	0	0
TOTAL	**1,984**	**0**	**1,984**

5 - LOANS AND ADVANCES TO CREDIT INSTITUTIONS AT AMORTISED COST (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Advances and loans	1,065,991	871,588
Accrued interest	3,125	962
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS	**1,069,116**	**872,550**

Loans and advances to credit institutions shows no impairment.

6 - LOANS AND ADVANCES TO CLIENTS AT AMORTISED COST (THOUSANDS OF EURO)

	31/12/2023		
	Gross value	Impairment	Net value
Performing loans (S1)	16,021,280	423,269	15,598,011
Performing loans (S2)	1,369,194	283,788	1,085,407
Non-performing loans (S3)	2,300,053	1,400,722	899,331
LOANS AND ADVANCES TO CLIENTS	**19,690,528**	**2,107,779**	**17,582,749**

	31/12/2022		
	Gross value	Impairment	Net value
Performing loans (S1)	14,887,443	420,473	14,466,969
Performing loans (S2)	1,290,715	265,928	1,024,787
Non-performing loans (S3)	1,993,229	1,267,326	725,903
LOANS AND ADVANCES TO CLIENTS	**18,171,387**	**1,953,727**	**16,217,660**

Loans and advances to clients by due date (thousands of euro)

	31/12/2023		
	Less than one year	More than one year	Total
Loans and advances to clients	4,343,986	13,238,763	17,582,749

	31/12/2022		
	Less than one year	More than one year	Total
Loans and advances to clients	3,989,892	12,227,768	16,217,660

Change in impairment of loans and advances

	31/12/2022	Accruals Writebacks	Other	31/12/2023
Accruals for performing loans (S1)	420,473	2,542	255	423,269
Accruals for performing loans (S2)	265,928	17,342	518	283,788
Accruals for non-performing loans (S3)	1,267,326	132,056	1,340	1,400,722
IMPAIRMENT OF LOANS AND ADVANCES TO CLIENTS	**1,953,727**	**151,939**	**2,113**	**2,107,779**

7 - ACCRUALS AND MISCELLANEOUS ASSETS

	31/12/2023	31/12/2022
Miscellaneous debtors	67,568	41,644
Other	2,113	3,339
TOTAL MISCELLANEOUS ASSETS	**69,681**	**44,983**
Income receivable	14,787	12,884
Prepayments	37,439	29,755
Other	50,477	43,382
TOTAL ACCRUED CHARGES AND DEFERRED INCOME	**102,702**	**86,022**
TOTAL PREPAYMENTS AND MISCELLANEOUS ASSETS	**172,383**	**131,005**

8 - TANGIBLE ASSETS

Changes in the gross values of tangible assets and accrued depreciation are represented in the following table (in thousands of euro):

	31/12/2022	Increase	Decrease	Other	31/12/2023
Land	79,822	2,783	0	(1,961)	80,644
IT hardware	5,991	70	(115)	3	5,949
Office equipment	17,527	1,326	(368)	39	18,524
Improvements to buildings	129,624	4,357	0	(5,930)	128,051
Rights of use - property	41,994	1,617	516	(780)	43,347
Rights of use - car fleet	4,659	1,589	1,086	(2,315)	5,018
Other tangible assets	14,336	7,462	(8,233)	(5)	13,560
GROSS VALUE OF TANGIBLE ASSETS	**293,952**	**19,203**	**(7,114)**	**(10,948)**	**295,093**
Land	14,760	1,913	(178)	0	16,496
IT hardware	5,889	85	(112)	3	5,866
Office equipment	11,669	1,471	(370)	25	12,796
Improvements to buildings	40,077	6,774	(3,315)	(1,940)	41,596
Rights of use - property	22,813	5,164	270	(496)	27,751
Rights of use - car fleet	3,449	674	1,058	(2,117)	3,063
Other tangible assets	8,809	972	(387)	13	9,406
DEPRECIATION OF TANGIBLE ASSETS	**107,466**	**17,053**	**(3,034)**	**(4,512)**	**116,974**
ACCRUALS, TANGIBLE ASSETS	**7,221**	**1,363**	**0**	**0**	**8,584**
NET VALUE OF TANGIBLE ASSETS	**179,265**	**787**	**(4,080)**	**(6,436)**	**169,536**

9 - INTANGIBLE ASSETS

Changes in the gross values of intangible assets and accrued depreciation are represented in the following table (in thousands of euro):

	31/12/2022	Increase	Decrease	Other	31/12/2023
Lease rights	61	0	(59)	3	4
Trademarks acquired as part of a business combination	12,591	0	0	0	12,591
Set-up costs	7	0	0	0	7
Software purchased	51,495	4,096	(84)	181	55,687
Advances and deposits	0	0	0	0	0
Other intangible assets	946	31	(21)	(190)	766
GROSS VALUE OF INTANGIBLE ASSETS	**65,099**	**4,128**	**(165)**	**(6)**	**69,055**
Lease rights	12	20	(28)	1	4
Trademarks acquired as part of a business combination	1,353	0	0	0	1,353
Set-up costs	7	0	0	0	7
Software purchased	46,188	4,000	(25)	(20)	50,143
Other intangible assets	399	10	0	(4)	405
AMORTISATION AND ACCRUALS, INTANGIBLE ASSETS	**47,959**	**4,030**	**(53)**	**(23)**	**51,912**
NET VALUE OF INTANGIBLE ASSETS	**17,140**	**98**	**(112)**	**17**	**17,143**

10 - GOODWILL (THOUSANDS OF EUROS)

Changes and organisation of goodwill are as follows:

	2022	Increase	Merger	2023
Net value of goodwill	244,006	0	0	244,006

2023 impairment testing as per Note III 4.2 did not lead to further impairment.

11 - LIABILITIES TO CREDIT INSTITUTIONS (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Ordinary demand accounts	11,878	15,217
Ordinary term accounts	15,106,477	13,772,176
Other debt	244,239	278,514
TOTAL DEBT TO CREDIT INSTITUTIONS	**15,362,593**	**14,065,907**

12 - DEBTS TO CLIENTS (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Ordinary accounts	477,563	385,763
Special savings accounts	563,282	484,813
Term creditor accounts	20,012	0
Other sums payable	9,821	12,547
TOTAL DEBT TO CLIENTS	**1,070,679**	**883,123**

	31/12/2023		
	Less than one year	More than one year	Total
Debts to clients	1,070,679	0	1,070,679

13 - DEBTS REPRESENTED BY A SECURITY (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Negotiable debt instruments	50,000	50,000
Bond issues	0	0
Deposit receipts and savings bonds	0	0
Accrued interest	68	33
TOTAL DEBTS REPRESENTED BY A SECURITY	**50,068**	**50,033**

Negotiable debt instruments

Negotiable debt instruments are securities representing a lien for a fixed period and are negotiable on a regulated or private market. Group financing for this category of debt is made up of:

- negotiable medium-term bonds maturing in over one year,
- short-term securities maturing in under one year, e.g. certificates of deposit.

14 - CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES (THOUSANDS OF EURO)

14.1 Changes in current and deferred tax assets and liabilities

Current tax assets and liabilities

	31/12/2022	Net variation	31/12/2023
Current tax assets	18,367	5,891	24,258
Current tax liabilities	3,846	1,273	2,573
NET CURRENT TAX ASSETS	**14,520**	**7,164**	**21,684**

Current tax assets are primarily tax credits. The liabilities correspond to the balance of corporation tax to be paid at the end of the accounting period as well as miscellaneous taxes.

14.2 Origin of deferred taxes

	31/12/2023		31/12/2022		31/12/2023	31/12/2022
	Assets	Liabilities	Assets	Liabilities	Net	Net
TEMPORARY DIFFERENCES	**160,876**	**24,744**	**155,053**	**27,065**	**136,131**	**127,988**
Non-deductible accruals	131,702	211	134,570	0	131,491	134,570
Organic, employee profit-sharing	699	452	659	336	247	323
Non-current assets and impairment	0	168	0	222	(168)	(222)
Employee benefits	7,733	1,198	6,863	1,200	6,535	5,663
Special tax-allowable reserves	0	1,592	0	1,592	(1,592)	(1,592)
IAS 39 reclassifications	1,239	514	1,638	9,739	725	(8,102)
Other	19,502	20,609	11,323	13,976	(1,107)	(2,654)
OFFSETTING ASSETS/LIABILITIES	**(22,652)**	**(22,652)**	**(16,271)**	**(16,271)**	**0**	**0**
TOTAL DEFERRED TAX	**138,223**	**2,092**	**138,781**	**10,794**	**136,131**	**127,988**

Asset/liability offsets are made at entity level.

15 - ACCRUED CHARGES AND DEFERRED INCOME AND MISCELLANEOUS LIABILITIES

	31/12/2023	31/12/2022
Miscellaneous creditors	179,355	136,817
Lease commitments	17,960	21,222
Miscellaneous social security liabilities	57,716	57,629
TOTAL MISCELLANEOUS LIABILITIES	**255,032**	**215,668**
Expenses payable	81,754	79,027
Deferred income	4,954	3,962
Other	111,258	92,964
TOTAL ACCRUED CHARGES AND DEFERRED INCOME	**197,967**	**175,952**
TOTAL ACCRUED CHARGES AND DEFERRED INCOME AND MISCELLANEOUS LIABILITIES	**452,999**	**391,621**

Lease commitments	≤ 1 year	>1 year and ≤3 years	>3 years and ≤6 years	>6 years and ≤9 years	> 9 years
Property	8,054,386	2,983,019	3,333,322	38,034	-
IT equipment					
Car fleet	1,736,775	83,213	102,712		
Other					

16 - PROVISIONS

	31/12/2022	Accruals	Writebacks used	Writebacks not used	Non-cash	Other	31/12/2023
Company commitments: pensions	28,417	3,450	(859)	(842)	2,039	0	32,205
Company commitments: long-service awards	2,040	37	(8)	0	0	(189)	1,879
Legal and tax risk	0	0	0	0	0	0	0
Provision for restructuring	0	0	0	0	0	0	0
Provision for subsidiary risks	0	0	0	0	0	0	0
Provision for cost and risk of proceedings	13,777	1,968	0	0	0	(5,766)	9,979
Miscellaneous risks and charges [1]	82,366	22,583	(58,720)	0	0	5,595	51,825
TOTAL PROVISIONS	**126,600**	**28,038**	**(59,587)**	**(842)**	**2,039**	**(360)**	**95,888**

Note that, following the decision of the Cour de Cassation on 13/09/2023, regarding the acquisition of paid holidays during sick leave or leave due to non-professional accidents, a provision was set aside amounting to €1.6m.

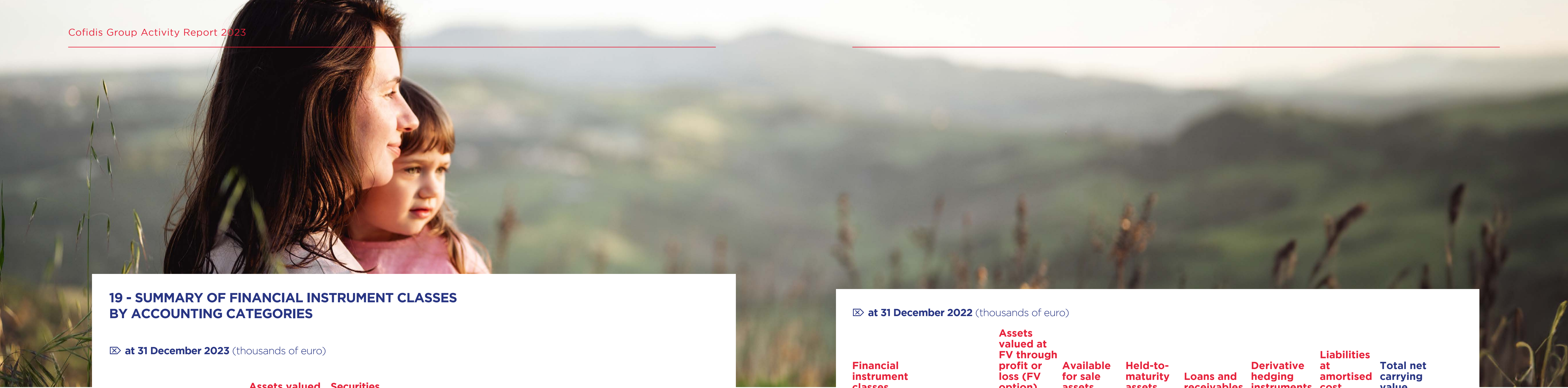
17 – SUBORDINATED DEBT

	31/12/2023	31/12/2022
Subordinated securities	200,000	200,000
Interest payable	657	455
TOTAL SUBORDINATED DEBT	**200,657**	**200,455**

18 - SHAREHOLDERS' EQUITY

18. Composition of share capital

The Cofidis Group's €31,794,118.3 share capital is composed of 211,960,789 fully paid-up ordinary shares that are all of the same class and have a par value of 0.15 euro per share.



19 - SUMMARY OF FINANCIAL INSTRUMENT CLASSES BY ACCOUNTING CATEGORIES

at 31 December 2023 (thousands of euro)

Financial instrument classes	Assets valued at FV through profit or loss (FV option)	Securities at amortised cost	Held-to-maturity assets	Loans and receivables	Derivative hedging instruments	Liabilities at amortised cost	Total net carrying value
Debt instruments	336	1,647					**1,984**
Loans and advances to credit institutions				1,069,116			**1,069,116**
Loans to clients				17,582,749			**17,582,749**
Hedging derivatives					150,917		**150,917**
Derivatives							**0**
Other receivables							**0**
FINANCIAL ASSETS	**336**	**1,647**	**0**	**18,651,865**	**150,917**	**0**	**18,804,766**
Negotiable debt instruments						50,000	**50,000**
Bond issues						0	**0**
Securitisation							**0**
Accrued interest						68	**68**
Debts to credit institutions						15,362,593	**15,362,593**
Other debts to credit institutions							**0**
Debts to clients						1,070,679	**1,070,679**
Other debts to clients							**0**
Subordinated liabilities						200,657	**200,657**
Hedging derivatives					60,774		**60,774**
Derivatives							**0**
LOANS AND FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**60,774**	**16,683,997**	**16,744,771**

at 31 December 2022 (thousands of euro)

Financial instrument classes	Assets valued at FV through profit or loss (FV option)	Available for sale assets	Held-to-maturity assets	Loans and receivables	Derivative hedging instruments	Liabilities at amortised cost	Total net carrying value
Debt instruments	97	1,357					**1,454**
Loans and advances to credit institutions				872,550			**872,550**
Loans to clients				16,217,660			**16,217,660**
Hedging derivatives					321,547		**321,547**
Derivatives							**0**
Other receivables							**0**
FINANCIAL ASSETS	**97**	**1,357**	**0**	**17,090,209**	**321,547**	**0**	**17,413,211**
Negotiable debt instruments						50,000	**50,000**
Bond issues						0	**0**
Securitisation							**0**
Accrued interest						33	**33**
Debts to credit institutions						14,065,907	**14,065,907**
Other debts to credit institutions							**0**
Debts to clients						883,123	**883,123**
Other debts to clients							**0**
Subordinated liabilities						200,455	**200,455**
Hedging derivatives					7,524		**7,524**
Derivatives							**0**
LOANS AND FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**7,524**	**15,199,518**	**15,207,042**

V. Notes to Off-Consolidated Balance Sheet items

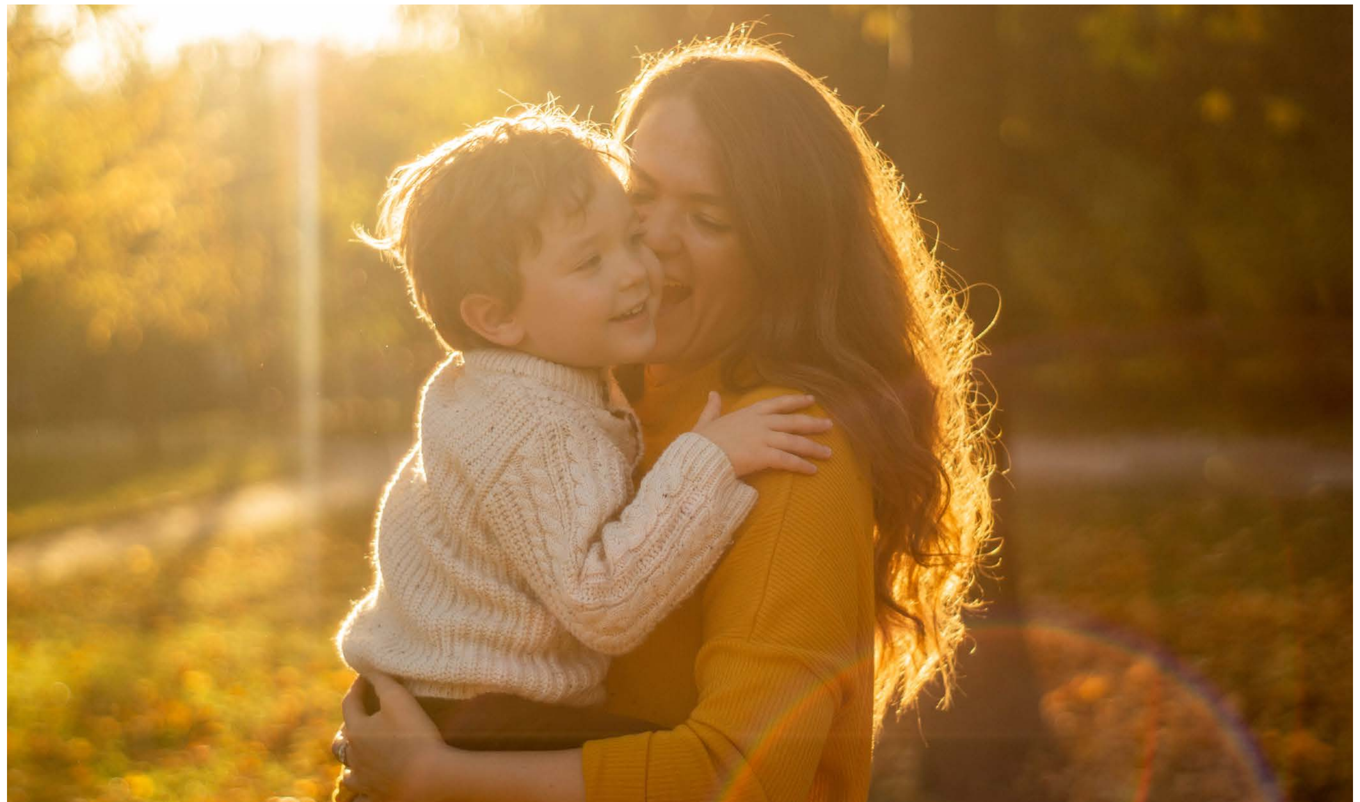
1 – FINANCING AND GUARANTEE COMMITMENTS

The Group has undertaken to provide its clients with financing (new revolving loans) when requested. At 31 December 2023 this totalled 2,978 million euro.

Thousands of euro	31/12/2023	31/12/2022
FINANCING COMMITMENTS		
Commitments to credit institutions	0	0
Commitments received from credit institutions	5,000	10,000
Commitments to clients	2,978,296	2,647,495
GUARANTEE COMMITMENTS		
Guarantees, sureties, and other guarantees on the request of credit institutions	0	0
Guarantees, sureties and other guarantees received from credit institutions	17,358	17,050
Guarantees requested by clients	24,600	30,192
Guarantees from clients	2,988,223	2,724,055

2 – FINANCIAL FUTURES

In accounting terms, all transactions are considered from their completion, even if the period covered is deferred.



VI. Notes to the Consolidated Income Statement

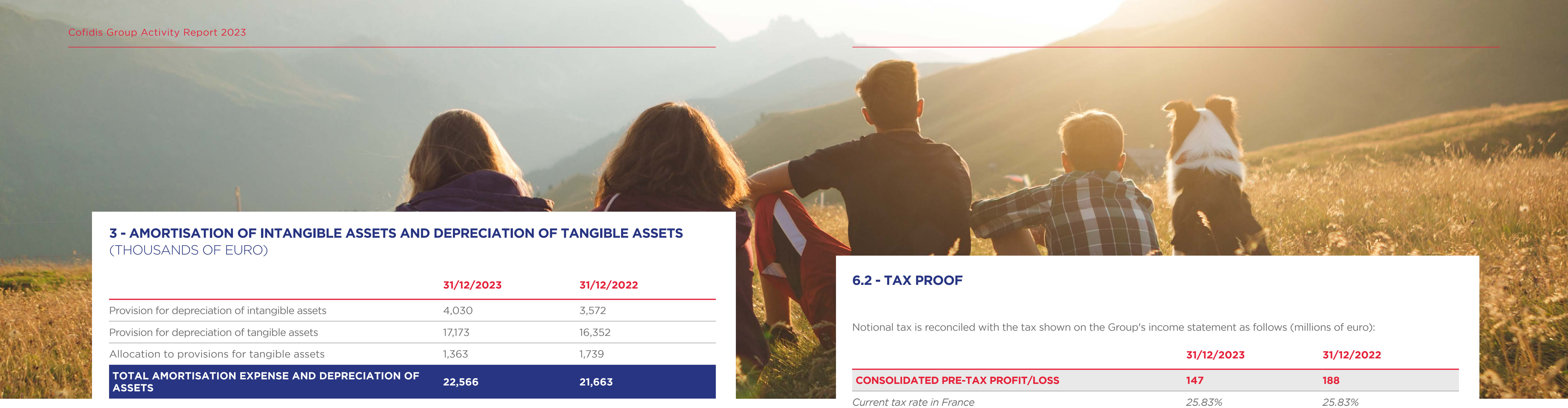
1 - NET BANKING INCOME (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Interest on receivables from credit institutions	39,427	4,668
Interest on advances to clients	1,375,988	1,160,612
Interest on hedging derivatives	260,397	46,943
INTEREST AND SIMILAR INCOME	**1,675,813**	**1,212,223**
Interest on liabilities to credit institutions	549,611	91,007
Interest to clients	10,642	2,539
Interest on debt represented by a security and subordinated debt	12,502	4,386
Interest on hedging derivatives	95,772	46,202
Interest on simple lease contracts	239	238
INTEREST AND SIMILAR EXPENSES	**668,765**	**144,372**
Commission (income)	419,549	388,576
Commission (expense)	52,748	57,450
NET GAIN/LOSS ON COMMISSION	**366,801**	**331,125**
NET GAIN/LOSS ON PORTFOLIOS AT FV THROUGH PROFIT OR LOSS	**423**	**-539**
Income from other activities	8,172	1,561
Expense from other activities	1,020	786
NET GAINS/LOSSES ON OTHER ACTIVITIES	**7,152**	**776**
NET BANKING INCOME	**1,381,423**	**1,399,213**

2 - GENERAL OPERATING COSTS (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Payroll charges [1]	338,448	319,972
Tax and duty	13,958	16,864
Other operating costs	417,355	446,239
TOTAL GENERAL OPERATING COSTS	**769,762**	**783,075**

(1) Payroll expenses are detailed in Note VIII (Employee benefits)



3 - AMORTISATION OF INTANGIBLE ASSETS AND DEPRECIATION OF TANGIBLE ASSETS (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Provision for depreciation of intangible assets	4,030	3,572
Provision for depreciation of tangible assets	17,173	16,352
Allocation to provisions for tangible assets	1,363	1,739
TOTAL AMORTISATION EXPENSE AND DEPRECIATION OF ASSETS	**22,566**	**21,663**

4 - COST OF RISK (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Impairment and provisions	147,955	16,553
Writeback of amortised receivables	(89,080)	(95,369)
Write-offs	383,497	485,659
COST OF CUSTOMER RISK	**442,372**	**406,843**

5 - NET GAIN/LOSS ON OTHER ASSETS (THOUSANDS OF EURO)

	31/12/2023	31/12/2022
Income from asset disposals	98	97
Capital loss on asset disposals	(148)	(182)
GAINS OR LOSSES ON OTHER ASSETS	**(50)**	**(86)**

6 - TAXES (THOUSANDS OF EURO)

6.1 Tax expense

	31/12/2023	31/12/2022
Current tax expense	42,233	63,106
Deferred tax expense	1,112	(5,255)
TAX EXPENSE FOR THE PERIOD	**43,345**	**57,851**

6.2 - TAX PROOF

Notional tax is reconciled with the tax shown on the Group's income statement as follows (millions of euro):

	31/12/2023	31/12/2022
CONSOLIDATED PRE-TAX PROFIT/LOSS	**147**	**188**
Current tax rate in France	*25.83%*	*25.83%*
Notional tax at current French tax rate	37.9	48.4
Effect of permanent differences	5.5	5.2
Foreign tax rate differences	5.3	5.9
Effect of unrecognised tax assets	-6.4	0.6
Rate change	1.3	
Other	-0.2	-2.3
GROUP TAX EXPENSE	**43.3**	**57.8**
ACTUAL TAX RATE	**29.55**	**30.84**

7 – STATUTORY AUDITOR FEES

Thousands of euro ex-VAT	Total fees	MAZARS	PwC	KPMG
Certification	1,265.65	624.8	592.8	48.05
Additional duties [1]	180.80	99.5	77.3	4
TOTAL	**1,446.45**	**724.30**	**670.10**	**52.05**
of which certif. France	524.85	247	229.8	48.05
of which France SACC	68.3	26.5	37.8	4
of which statutory requirement	68.3	26.5	37.8	4
of which other	0			

[1] Additional duties are certifications and agreed procedures

VII. Segment information

1 - DEFINITION OF BUSINESS SEGMENTS

The various Cofidis Group entities operate in one single business segment: personal consumer credit. Accordingly, in application of IFRS 8 relating to operating segments, we are required to disclose information on the breakdown of geographies in which we operate, which is the only segment information provided by the Group.

Three geographies are concerned; France, Southern Europe and Belgium & Eastern Europe.

2 - SEGMENT INFORMATION BY GEOGRAPHIC AREA: INCOME STATEMENT DATA (THOUSANDS OF EURO)

Transactions between business centres are concluded under market conditions and segment assets are determined based on the accounting items making up the balance sheet for each business centre.

	31/12/2023			
	France	Southern Europe	Belgium & Eastern Europe	TOTAL
Income statement items				
Interest income	856,725	584,844	234,244	**1,675,813**
Interest expense	513,948	68,174	86,643	**668,765**
Net banking income	662,513	543,957	174,953	**1,381,423**
Operating profit	78,021	77,142	-8,439	**146,723**
Income tax	22,812	14,721	5,812	**43,345**

	31/12/2022			
	France	Southern Europe	Belgium & Eastern Europe	TOTAL
Income statement items				
Interest income	595,091	447,619	169,513	**1,212,223**
Interest expense	91,283	24,197	28,892	**144,372**
Net banking income	697,939	535,870	165,404	**1,399,213**
Operating profit	98,741	90,542	-1,650	**187,632**
Income tax	26,430	26,729	4,692	**57,851**

3 - SEGMENT INFORMATION BY GEOGRAPHIC AREA: BALANCE SHEET DATA

	31/12/2023			
	France	Southern Europe	Belgium & Eastern Europe	TOTAL
Balance sheet items				
Loans and advances to clients	9,254,189	6,084,143	2,244,416	**17,582,749**
Loans and advances to banks	959,010	78,819	31,288	**1,069,117**
Total	**10,213,199**	**6,162,963**	**2,275,704**	**18,651,866**

	31/12/2022			
	France	Southern Europe	Belgium & Eastern Europe	TOTAL
Balance sheet items				
Loans and advances to clients	8,529,008	5,788,695	1,899,957	**16,217,660**
Loans and advances to banks	807,078	39,140	26,332	**872,550**
Total	**9,336,086**	**5,827,835**	**1,926,289**	**17,090,209**

VIII. Employee benefits

1 - PAYROLL

	31/12/2023	31/12/2022
Salaries	228,028	215,553
Payroll charges	79,376	73,815
Optional/mandatory profit sharing	13,822	11,712
Other	17,222	18,891
TOTAL PAYROLL EXPENSES	**338,448**	**319,972**

2 - WORKFORCE FOR THE PERIOD

The average workforce and the workforce on the reporting date are as follows:

Workforce at closing on 31 December 2023

	31/12/2023				31/12/2022
	Executives	Supervisors	Employees	Total	Total
Women	822	894	2,036	3,752	3,714
Men	686	380	937	2,003	1,998
TOTAL WORKFORCE AT CLOSING	**1,508**	**1,274**	**2,973**	**5,755**	**5,712**

Average workforce at 31 December 2023

	31/12/2023				31/12/2022
	Executives	Supervisors	Employees	Total	Total
Women	817	631	2,279	3,727	3,688
Men	687	269	1,036	1,991	1,982
TOTAL AVERAGE WORKFORCE	**1,504**	**900**	**3,314**	**5,718**	**5,670**

3 - POST-EMPLOYMENT BENEFITS - DEFINED CONTRIBUTION SCHEMES

All French and Belgian entities are in the defined benefits scheme. An actuarial valuation is performed every year on main schemes. The defined-benefit schemes concern retirement benefits.

4 - OTHER LONG-TERM BENEFITS

Employee benefits that are not payable or paid in full within twelve months of the end of the financial year. These benefits concern long-service awards.

5 – ACTUARIAL ASSUMPTIONS

The main actuarial assumptions have been set for each country.

The rates used to estimate liabilities are as follows:

	31/12/2023	31/12/2022
Discount rate at start of period	3.40%	1.00%
Discount rate at end of period	3.19%	3.40%
Forecast salary increase	2.97%	2.73%

6 – RECONCILIATION OF BALANCE SHEET PROVISIONS

The following balance sheet changes in pension provisions and similar commitments were recognised (in thousands of euro):

Commitment	31/12/2022	34,797
Cost of benefits provided in period		1,885
Financial cost		1,163
Actuarial gains and losses		1,950
Payment to beneficiaries		-128
Other		-576
	31/12/2023	39,090

Scheme assets	31/12/2022	6,380
Actuarial gains and losses		-89
Return on scheme assets		223
Contributions to the scheme		421
Payment to beneficiaries		-49
Other		0
	31/12/2023	6,886

Provision	31/12/2022	28,417
Cost of benefits provided in period		1,885
Financial cost/income		939
Contributions to the scheme		-421
Actuarial gains and losses		2,039
Payment to beneficiaries		-79
Other		-576
	31/12/2023	32,205

7 – FINANCIAL HEDGING OF THE SCHEME

Financial hedging of the scheme is as follows:

	31/12/2023	31/12/2022
Debt securities	5,959	5,121
Equity instruments	459	358
Property	466	832
Other	2	70

8 - SENSITIVITY ANALYSIS

Financial hedging of the scheme is as follows:

Discount rate + 0.5%	36,702
Discount rate - 0.5%	41,716

IX – Risk exposure and hedging policy

The risks incurred by Cofidis Group are those of a credit institution offering revolving, redeemable and credit card type consumer credit, in its own name or through its network of partners.

Credit operations are conducted directly through customer relations centres or Internet sites, as well as through partners. Bank and other cards are provided to clients. The internal control mechanisms in place have been gradually adapted to deliver satisfactory solutions to the challenges of controlling new risks incurred.

1 - CREDIT RISK

1.1 - General remarks on credit risks

A credit risk occurs when a counterparty is unable to meet its obligations and these obligations have a positive inventory value in the company's ledgers. For Cofidis Group, the bulk of credit risk relates to loans granted to individuals, and this risk is spread over a large number of clients with limited individual commitment.

1.2 - Credit risk management methods

Client credit risk management methods rely essentially on resources that are dedicated to:

- risk assessment and the steering of scores and acceptance rules,
- operating teams responsible for acceptance and for the bad debt processing chain,
- controlling risk management to ensure risks are monitored, steered and properly provisioned.

The system for controlling this risk uses a number of tools to implement preventive, corrective and strategic actions.

The forecasting system is based on:

- scoring and acceptance rules to predict client behaviour and ensure the future profitability of operations,
- a 3-year budget/plan produced at the end of each third quarter so that strategic targets can be set. Two budget extrapolations are performed annually.

Cofidis Group has also set up a curative management system to back its credit risk preventive management system and has thus developed collection sequences that the organisation varies according to maturity and market practices. These sequences can include the following phases and features: pre-collection, amicable collection, pre-litigation, over-indebtedness and legal recovery. After these internal collection procedures, disputed outstanding debts can be outsourced to an external management contractor, or sold.

The Risk Review is carried out monthly and enables the evolution of each entity's customer risk to be monitored according to multiple criteria: early and longer-term risk indicators, by product and by opening generation; collection performance indicators by default stratum. The information collected in this dashboard is used to monitor and analyse the cost of risk and to implement corrective actions. A summary is presented to the Group's Risk Committee.

A monthly "Credit Dashboard" report provides information on the cost of risk as well as its proportion of total outstanding debt from month to month. It is produced by the Management Audit department and is circulated to members of the executive committee, managing directors and managers and heads of the relevant departments.

The provisioning system is generally based on the definition and statistical use of average rates of movement from one category of unpaid outstanding debt to another from one month to another. The calculation for each category is based on statistical observation of the change in unpaid outstanding debt and actual or probable losses, for each of the products.

Scoring systems, acceptance and collection rules, as well as provisioning systems must be open-ended and are reviewed as required from time to time. In this way, the organisation ensures that all outstanding debt categories, process developments, behavioural or regulatory changes are taken into account by the system. Similarly, the provisioning method is reviewed by adjusting the provisioning rates by category of outstanding debt to environmental needs (markets, clients, regulators).

The Group's maximum credit risk exposure at 31 December 2023 was as follows (thousands of euro):

	31/12/2023	31/12/2022
Financial assets at fair value through profit or loss	336	97
Derivative hedging instruments – assets	150,917	321,547
Securities at amortised cost	1,647	1,357
Loans and advances to credit institutions	1,069,116	872,550
Loans and advances to clients	17,582,749	16,217,660
Other receivables	334,864	288,153
Firm loan commitments	2,978,296	2,647,495
TOTAL	**22,117,926**	**20,348,859**

Analysis of outstanding assets

A financial asset is outstanding when a counterparty has not made a payment at the contractual due date. In accordance with IFRS 9, which came into force on 1 January 2018, the provisionable base covers the entire amount outstanding, organised into the 3 stages noted above (see Note 2).

2 - FINANCIAL TRANSACTION COUNTERPARTY RISK

Cofidis Group is exposed to counterparty risk in the context of cash flow management. Banking counterparties are assessed by the CRÉDIT MUTUEL ALLIANCE FÉDÉRALE Group on a regular basis. Based on this assessment, counterparties are classified according to a number of criteria and related procedures, which could lead to the closure of the account.

Note that flows of French companies are centralised in accounts opened with the Crédit Mutuel Alliance Fédérale Group. Surplus liquidity of foreign entities is centralised preferentially, or allocated to Crédit Mutuel Alliance Fédérale Group accounts in France, or to related company accounts outside France.

Moreover, rate hedging transactions are handled with CRÉDIT MUTUEL ALLIANCE FÉDÉRALE Group.

Potential new bank counterparties must be approved by the Crédit Mutuel Alliance Fédérale Group.

3 - OVERALL INTEREST RATE RISK, LIQUIDITY RISK AND FOREIGN EXCHANGE RISK

The Treasury Management Department of Cofidis Group is responsible for risk management related to cash flow and rates for the whole of Cofidis Group's scope.

3.1 – Overall interest rate risk

3.1.1 – Intervention strategy

Rate risk relates to:

- fixed-rate customer credit for which the Central Treasury provides a hedge for outstanding loans in compliance with the limits set by the Crédit Mutuel Alliance Fédérale Group's ALM management,
- variable rate loans, where the hedging policy aims to limit the exposure of Cofidis Group entities to possible rate rises/ falls and their more or less long repercussions on client rates.

Rate risk management strategy involves hedging a significant portion of outstanding amounts to avoid short- and medium-term margin pinches.

3.1.2 – Instruments and practices

The OTC instruments used, traded with the Banque Fédérative du Crédit Mutuel (BFCM) and the Crédit industriel et commercial (CIC), are firm or optional: interest rate swaps, caps, floors and collars.

The bulk of our refinancing is variable rate, based mainly on Euribor, and variable rate based on Eonia.

3.2 - Liquidity risk

As a credit institution, Cofidis Group is structurally a borrower. BFCM, which is the sole company involved in capital markets for the Crédit Mutuel Alliance Fédérale Group, handles the operating financing requirements for companies in Cofidis Group, ensuring the Group has all the liquidity requirements needed for its business.

By its banking activity, Monabanq collects deposits and saving from its clients, capable of generating surplus liquidity. Recycling of this liquidity may be carried out as a priority within Cofidis Group, or failing that at the BFCM; recycling of savings contributes to the refinancing of Cofidis Group entities.

Besides daily management of liquidity needs, Cofidis Group's Treasury Management department approves future needs based on forecast outstanding loans (outstandings) for renewable and redeemable products and the refinancing needs expressed by entities in the Group.

Cofidis Group is not at risk of liquidity as all its needs to support its activities are guaranteed by the Treasury of the BFCM.

The debt repayment timetable at 31 December 2023 is as follows (millions of euro):

	31/12/2023	Less than one year	1 to 2 years	2 to 5 years	More than 5 years	31/12/2022
Bond issues	0	-	-	-	-	0
Subordinated securities	201	1	-	200	-	200
Negotiable debt securities	50	50	-	-	-	50
Short/medium-term lines	15,339	5,993	3,255	5,601	490	14,046
Ordinary demand accounts	12	12	-	-	-	15
TOTAL DEBT	**15,602**	**6,055**	**3,255**	**5,801**	**490**	**14,311**

3.3 - Foreign exchange risk

Group policy includes management of foreign exchange risk.

Entities borrowing currencies or converted to euros, with no foreign exchange risk on the capital borrowed from BFCM or from Cofidis SA.

Purchases in foreign currencies are limited to current operating costs. Currency positions are monitored and swiftly unwound.

4 – TRANSACTION CONTROL

At each month-end, a monitoring dashboard is prepared covering liquidity, rate, foreign exchange and counterparty risk for each entity.

This formally checks that transactions in the month just ended comply with the original policies.

Cofidis Group is subject to alert limits and/or thresholds defined in relation to the global limits applicable within Crédit Mutuel Alliance Fédérale.

During its monthly meeting, based on events in the previous month and the needs expressed by entities in Cofidis Group, the Treasury Committee reviews liquidity programmes and defines hedging requirements for each entity (margin for manoeuvre in terms of volume and duration, according to market conditions and developments), to maintain risk indicators within the limits and alert thresholds set and/or to comply with the recommendations of the ALM monitoring committee of Crédit Mutuel Alliance Fédérale. This committee comprises the members of the Treasury Management department, its Director, the Group's Chief Financial Officer and on a quarterly basis, the Group ALM Director of the Caisse Fédérale de Crédit Mutuel.

The minutes of the decisions of the Treasury Committee are communicated to the Risk Department of the Crédit Mutuel Alliance Fédérale, the ALM Department Caisse Fédérale de Crédit Mutuel and the Chairman of the Board of Directors of Cofidis Group.

The liquidity and interest rate risk management indicators are communicated and presented quarterly to Cofidis Group's Executive Committee/Risk Committee, and semi-annually to the Risk Monitoring and Audit Committee and the Supervisory Board; they are also communicated quarterly to the ALM Technical Committee of Crédit Mutuel Alliance Fédérale.

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