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FINANCIAL
Report 2022

Unédic

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Statutory auditors' report on the financial statements

CEO'S REPORT

2022: BACK TO A POSITIVE BALANCE DESPITE UNCERTAIN ECONOMIC CONTEXT

Inflation, war in Ukraine, supply shortages and tensions: 2022 was the year of the resurgence of past crises. In this context of deep economic uncertainty, Unemployment Insurance has once again proved resilient, adapting its funding to new market conditions, and embarking on the path of deleveraging.

2022 therefore marks a return of the financial balance to positive territory for Unédic. A return to surpluses driven, on the one hand, by a dynamic of revenues from the exceptional rebound in employment and, on the other hand, by a decrease in spending linked to the decline in the unemployment rate and the ending of emergency measures to secure the economy during the Covid crisis. The Unemployment Insurance reform, which entered into force in 2021, has also produced effects on the finances of the scheme by reducing the number of unemployed people in receipt of benefits.

In respect of the financial statements for financial year 2022, Unemployment Insurance has a surplus of 3.4 billion euros. This surplus is contributing to a reduction in the unemployment insurance scheme's debt, which rose sharply in 2020 and 2021 because of the emergency measures in response to the health crisis.

However, debt repayment deadlines are high, and the economic situation of the Unemployment Insurance scheme offers little room for manoeuvre. The sustainable financing tools used by Unédic, as well as its countercyclical model, limit exposure to interest rate rises. The financial result is under control, but achieving this balance is taking all our vigilance.

MACROECONOMIC INDICATORS IMPACTED BY INFLATION

2022 was marked by an increase in prices according to the consumer price index excluding tobacco (IPCHT) of 5.3% on an annual average, a growth in real GDP of 2.6%, and in the wage bill subject to private sector contributions of 8.7%. This very favourable development in payroll (after +8.9% in 2021) was driven by the increase in the average wage per employee (+5.8%), in response to inflation.

The good performance of employment in the private sector (+2.7%) had a doubly favourable effect, increasing the contribution base and decreasing benefit expenditures.

The dynamism of the private sector wage bill has also produced effects on the CSG Activité revenues allocated to Unédic. These continue to grow strongly (+7.9%), leading to an increase in revenues of 1,170 million euros.

INITIAL EFFECTS OF THE UNEMPLOYMENT INSURANCE RULES THAT CAME INTO FORCE IN 2021

Since the end of 2021, the number of people claiming on the Unemployment Insurance scheme has decreased significantly. This change can be attributed in part to the entry into force of the new conditions governing entitlement to unemployment benefits (6 months instead of 4) in what is a dynamic economic context in terms of employment.

In the first half of 2022, 40% of beneficiaries subject to the new unemployment benefit calculation formula, which entered into force in October 2021, received a net benefit of less than 29.56 euros per day, equivalent to 900 euros net per month. In the 1st half of 2019, this was only 27%. The follow-up study on the legislation, published by Unédic in February of 2023, notes that over the first year of implementation, claimants affected by the 2021 rules have lower amounts of daily allowances and longer eligibility periods than under the previous rules. This applies in particular to beneficiaries who have not been in unbroken employment, mainly temporary workers, those on fixed-term contracts and young people.

Since the beginning of 2022, the share of beneficiaries who are in work while in receipt of benefits has risen. At the same time, the share of those combining salary and benefits is on the decline. This development is the result of a good economic situation and the effect of the recalculation of the allowance, which mechanically reduces the possibility of combining allowance and income.

The sliding scale of unemployment benefits affects a small number of individuals (55,000 in 2022), with very specific characteristics: men, mostly executives, whose income before unemployment was on average more than 6,700 euros gross per month.

The bonus-malus on the employer contribution rate for its first year of application concerns 18,000 companies with 11 employees or more, or 6% of companies in the 7 sectors of activity concerned.

The effects of behaviours that could result from these regulatory changes, as well as the articulation with social benefits and minimums, are at the heart of the reform issues, but will take several months to manifest and take more time to be noted.

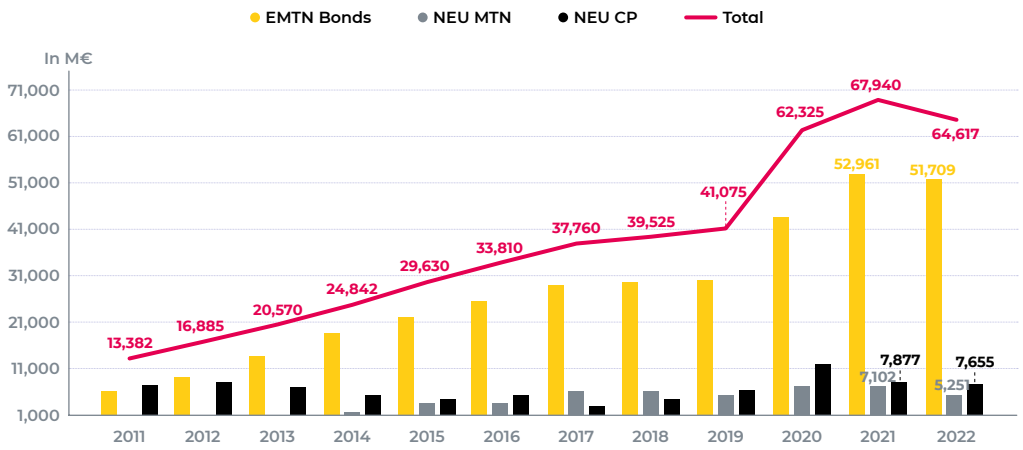
THE RESILIENCE OF THE UNEMPLOYMENT INSURANCE SCHEME IS MAKING IT POSSIBLE TO ACHIEVE DELEVERAGING

After two years of demanding circumstances in the financial markets in response to the Covid-19 crisis in 2020 and 2021, Unédic's medium- and long-term funding programmes fell sharply from 2022.

Indeed, after having issued, in 2021, 8 bonds on the financial markets for a total amount of 12.5 billion euros, including 10 billion euros in the form of "Social Bonds", the return to a positive financial balance has made it possible to resort less to borrowing. Unédic issued a new "Social Bond" in the amount of 1.0 billion euros in 2022.

At the same time, in 2022 Unédic repaid 4.1 billion euros in medium- and long-term borrowings from the scheme's own funds.

Evolution of financial debt



Nevertheless, the debt level of remains high. Unédic aims to continue to deleverage the scheme over the coming years in order to maintain a sustainable level of debt, even in the event of a new economic shock.

The scheme's net debt, which amounted to nearly 41 billion euros at the end of 2019, therefore stood at close to 64.6 billion euros at year-end 2022. compared with a peak of 67.9 billion euros at year-end 2021.

COST OF UNEMPLOYMENT INSURANCE DEBT UNDER CONTROL

For 10 years, Unédic has seen its debt increase, from 13 billion euros at the end of 2011 to almost 65 billion euros at the end of 2022, in particular due to the Covid-19 crisis.

Thanks to its credibility on the financial markets, Unédic was able to quickly borrow huge amounts under excellent conditions to meet the financing needs of the unemployment insurance scheme.

The strategy put in place between 2009 and 2021 aimed to limit the consequences of a rise in interest rates on the cost of servicing the debt in a context of growing debt for Unédic. To achieve this, all loans are taken out at a fixed rate and in euros, thereby limiting Unédic's exposure to market risks. With experience in managing economic and financial crises, investor relations work presenting a clear and legible vision of the financial model and a strong desire to improve the quality and liquidity of the securities issued has made Unédic a benchmark bond issuer in Europe. These choices, which favour the use of debt during periods of low interest rates and the repayment of debt when rates increase, are consistent with the purpose of our insurance missions to best protect career paths in difficult times.

Until the end of 2019, the successive funding programmes were undertaken such that the annual repayment schedule for debt represented only a fraction of the annual funds of the unemployment Insurance scheme.

In order to control the refinancing of borrowings during periods of deficit, two identified risks were controlled:
- by spreading the outstanding amounts over all years of the debt repayment schedule (set at a maximum of 15 years since 2017), the maximum amount of each issue does not exceed 4 billion euros in order to control liquidity risk;
- taking advantage of the low-rate periods to issue fixed-rate debt with a long maturity, the risk of interest rates was secured by management surpluses, which allow debt to be repaid when it matures without having to renew a significant portion of the debt at a higher interest rate.

The borrowings issued under this strategy and the start of the deleveraging of Unédic - resulting in a limited use of new borrowings from 2022 - helped limit the cost of the debt despite the sharp increase in rates currently being observed on the markets.

The 2022 surplus and the decrease in the use of debt issuance made it possible to reduce the average maturity of Unédic's medium- and long-term debt by 6 years 11 months at the end of 2021 to 6 years 5 months at the end of 2022.

Debt at year-end and financial expenses for the period 2015-2022

EUR millions	2015	2016	2017	2018	2019	2020	2021	2022
Net debt (at 31/12)	25,674	29,758	33,549	35,540	36,815	54,611	63,639	**60,714**
Net financial expense	301	324	352	365	334	315	303	**299**
Ratio of net financial expense on net debt	1.17%	1.09%	1.11%	1.03%	0.91%	0.58%	0.48%	**0.49%**

INCOME STATEMENT FOR THE FINANCIAL YEAR (in millions of euros)	2021	2022
Main contributions and other funding (including CSG)	39.8	43.0
Special contributions	0.6	0.4
Other income	0.7	1.5
Total technical income	**41.0**	**44.9**
ARE	-33.6	-29.5
Other benefits	-3.3	-2.8
Redeployment benefits	-0.7	-0.7
Validation of pension credits	-2.4	-2.2
Furloughing scheme funding	-2.6	-0.2
11% Pôle emploi contribution	-4.3	-3.9
Other expenses	-0.7	-1.8
Total technical expense	**-47.5**	**-41.1**
TECHNICAL MANAGEMENT EXPENSE	**-6.5**	**3.8**
ADMINISTRATIVE MANAGEMENT LOSS	**-0.0**	**-0.0**
NET FINANCIAL EXPENSE	**-0.3**	**-0.3**
NET EXCEPTIONAL INCOME	**0.0**	**0.0**
Corporation tax and similar expense	**-0.0**	**-0.0**
LOSS FOR THE YEAR	**-6.8**	**3.4**

In 2022, economic activity benefited from the significant rebound already observed in the second half of 2021, when the health crisis came to an end. Thanks to exceptional revenue dynamics and a decrease in expenditure linked to the fall in the unemployment rate and the cessation of the various emergency measures, the result increased by 10.2 billion euros between 2021 and 2022.

Strongly linked to the macroeconomic context and following an historic decline of 6.7% in 2020, funds continued the recovery dynamic that began in 2021 (+10.2%), increasing by 8.1% in 2022.

The expenses recorded under ARE amounted to 29.5 billion euros in 2022, compared to 33.6 billion euros in 2021, i.e. a decrease of 12%, due to a fall in the average number of days for which benefits were paid (-0.76%).

The expenses recorded under ARE Training amounted to 1,94 billion euros in 2022, compared to 2,061 billion euros in 2021, a decrease of 5.5%.

ASR and ASP spending (excluding the CSP extra payment) amounted to 808 million euros in 2022, compared to 1,233 million euros in 2021, i.e. a decrease of 34.5%, due to a decrease in the number of days for which benefits were paid under the CSP (-33.70%) coupled with a fall in the average daily benefit amount (-3.15%).

After taking into account the Unemployment Insurance scheme's contribution to the funding of beneficiaries' supplementary pensions (2,228.7 million euros less in 2022 compared to 2021), to participation in Pôle Emploi's budget (3,924 million euros) and to the unprecedented reduction in funding of the furloughing scheme (195 million euros after 2,551 million euros in 2021), technical management expenses fell by 13.5% between 2021 and 2022.

There was a technical management loss of 3,753 million euros, a significant improvement on the loss of 6,507 million euros in 2021.

After considering the administrative management loss of 34 million euros, the financial management loss of 299 million euros, the exceptional loss and the tax on property rents, there was a net accounting gain for the financial year of 3,430 million euros.

A CHANGE IN POSITIVE CASH POSITION FOLLOWING THE SURPLUS FOR THE FINANCIAL YEAR

The Unemployment Insurance scheme's cash position is positive, to the tune of 2,924 million euros and breaks down as shown in the chart below:

EUR millions	31/12/2021	31/12/2022	2022/2021 change
Bond issues	-52,750	-51,500	1,250
Short-term negotiable commercial paper (NEU CP)	-7,877	-7,655	222
Negotiable medium-term notes (NEU MTN)	-7,100	-5,250	1,850
Overdrafts	0	-3	-3
Investments	3,139	2,035	-1,104
Bank balances	951	1,659	709
Total	**-63,637**	**-60,714**	**2,924**

The gain for the financial year of 3,430 million euros and the change in cash position of 2,924 million euros is explained as follows:

From the loss for the financial year to the change in cash position (in millions of euros)

Accounting gain for 2022	**3,430**
Transactions generating no change in cash (increase in underwriting reserves)	-1,164
Decrease in cash requirements linked to business cycle	658
2022/2021 change in cash position	**2,924**

Net equity stood at -63,185 million euros at year-end 2021, mechanically improving by 3,430 million euros as a result of the surplus for financial year 2022, leaving net equity at -59,755 million euros as at 31 December 2022.

EUR millions	31/12/2021	31/12/2022	2022/2021 change
Retained loss and Reserves	-56,352	-63,185	-6,833
Net profit	-6,833	3,430	10,263
Net situation	**-63,185**	**-59,755**	**3,430**

The net bank debt of -59,755 million euros, after deduction of the cash recorded under assets on the balance sheet, is calculated from the net equity position of -60,714 million euros as follows:

From net debt to net bank debt as at 31/12/2022
(in millions of euros)

Net position at 31/12/2022	**-59,755**
Transactions generating no change in cash (funding capacity represented by cumulative amortisation, depreciation and provisions as at 31/12/2022)	2,143
Gross non-current assets at 31/12/2022	-88
Cash requirement represented by the funding of the difference between operating receivables and operating payables	-3,351
Cash sources linked to accrued interest on borrowings and deferment of borrowing costs to be distributed (share premiums, accrued interest, etc.)	337
Net bank debt as at 31/12/2022	**-60,714**

SAME FUNDING STRUCTURE FOR UNEMPLOYMENT INSURANCE AS THE ONE FOR 2021...

Article 54 of Law No 2018-771 of 5 September 2018 on the freedom to choose one's professional future scrapped employee unemployment insurance contributions as from 1 January 2019.

To neutralise the effects of this scrapping, Article 26 of Law No 2018-1203 of 22 December 2018 on the Social Security funding for 2019 provided for Unédic being allocated 1.47% of the GSC tax levied on income from employment. As the dynamics of the bases used respectively for calculating unemployment insurance contributions and the generalised social contribution (GSC) on income from employment are very similar, the GSC rate of 1.47% has since been renewed without alteration.

Therefore, in 2022, CSG of 16 billion euros was recorded in income from employment.

In addition, the 2019 Social Security Funding Act provided for the extension of the general reduction in unemployment insurance contributions on 1 October 2019 for all employers, except for certain types of contracts, agricultural production and employers located in the French overseas departments and in Saint-Barthélémy and Saint-Martin, who had already been benefiting from this reduction since 1 January 2019. Urssaf Caisse nationale makes up the shortfall arising from the general reduction in unemployment insurance contributions. Therefore, in 2022, 4.5 billion euros was recorded.

Finally, Article 8 of the 2019 Social Security Funding Act extended five employer contribution exemptions to unemployment insurance contributions: LODEOM (Overseas Development Act), home help providers, apprentices, maritime armaments workers and seasonal agricultural workers (TO-DE - casual jobseekers). For Unédic, in 2022 these exemptions amounted to 368 million euros, fully funded by the ministries concerned. The terms and conditions of this funding are set out in a framework agreement signed between the interested parties.

... ALBEIT MODIFIED BY THE IMPLEMENTATION OF THE REPAYMENT OF SUMS DUE SYSTEM

The organisation of financial relations between Unédic and its main collection operator Urssaf Caisse nationale is based on the following principles, as of 1 January 2022:

- repayment of unemployment insurance contributions to Unédic on the basis of the sums due from employers (and no longer the sums actually collected by the URSSAFs). Pursuant to Article 12 of the Social Security Funding Act for 2022, the Acoss (now Urssaf Caisse nationale since 2021) pays the unemployment insurance contributions due on wages as declared by employers via the DSN, after application of a flat rate for non-recovery costs of 1.1% fixed by order of 8 August 2022, under the conditions provided for by Decree No. 2022-136 of 5 February 2022;
- determination of management fees by regulation, in accordance with Article 18 of the 2020 Social Security Funding Act. A management fee rate of 0.1%, set by order of 23 May 2022, is applied to the sums paid to Unédic.

In application of these provisions from 1 January 2022, the accounts record changes in presentation, the main ones being presented in the appendix to Unédic's 2022 annual accounts.

EVENTS SUBSEQUENT TO THE CLOSING OF THE 2022 ACCOUNTS WITH AN IMPACT ON UNEMPLOYMENT INSURANCE FINANCES

The following events, which occurred subsequent to the year ended 31 December 2022, are to be noted:

INCREASE IN UNEMPLOYMENT BENEFITS

At its extraordinary meeting of 24 March 2023, Unédic's Board of Directors decided to increase unemployment insurance benefits (including for Mayotte) by 1.9% as from 1 April 2023:

- the amount of the fixed part of the return-to-work allowance (ARE);
- the minimum ARE amount
- the floor of ARE Training;
- the floor of paragraph 2 of section 1 of Article 17a of the Unemployment Insurance Regulation relating to the application of the sliding scale coefficient;
- the floor of paragraph 3 of section 1 of Article 17a of the Unemployment Insurance Regulation relating to the application of the sliding scale coefficient.

Reference salaries were also increased by the same rate. The increase applies to beneficiaries whose reference salary is composed entirely of the previous remuneration of at least six months, i.e. before 1 October 2022.

These unprecedented decisions are the result of an initiative by the social partners and the Board of Directors of Unédic to respond to the exceptional level of inflation. They were taken within the framework of Decree No. 2023-228 of 30 March 2023 on the procedures for revaluing unemployment insurance benefits.

THE MEASURES RESULTING FROM THE DECREE OF 26 JANUARY 2023

In line with the law of 21 December 2022, Decree No. 2023-33 of 26 January 2023 modifies the unemployment insurance legislation by introducing a modulation of the benefit period for job seekers according to the state of the labour market, resulting for beneficiaries whose employment contract ends on or after 1 February 2023:

- a reduction in the benefit period by assigning a coefficient of 0.75 to the benefit period. A minimum benefit period is set at 6 months; and
- a potential "additional" benefit period paid in the form of an end of entitlements supplement (CFD), consisting in extending the benefit period of beneficiaries arriving at the end of their entitlement in the event of unfavourable economic conditions (i.e. if the unemployment rate according to the ILO reaches or exceeds 9%, or if it increases by 0.8 points over a quarter). Such extension may never exceed the maximum term applicable prior to the reform.

The decree also introduces the following measures:

- an end-of-training supplement (SBB), in the event that qualifying training lasting at least 6 months and which is registered in the PPAE (personalised project for access to employment) has not been completed by the date entitlement comes to an end. This constitutes an extension of the benefit period until the training is complete. Such extension may never exceed the maximum term applicable prior to the reform;
- the revaluation of the Arce rate (allowance for the takeover and creation of a business) to the tune of 60% (versus 45%) of the remaining capital of rights, for beneficiaries whose employment contract ends on or after 1July 2023. So as not to compromise the principles of calculation of the rights capital of the Arce due to the reduction of the benefit period.

Excluded from this reform are certain employees who are covered by other legislation (intermittent workers and beneficiaries of the CSP in particular), as well as residents of an overseas department or local authorities.

CAREER SAFEGUARDING CONTRACT

As the CSP agreement expires on 31 December 2022, the social partners have concluded an amendment, applicable to economic dismissal procedures initiated from 1 January 2023 and which makes it possible to ensure the continuity of the scheme until 31 March 2023 at the latest.

The CSP agreement was then extended and adapted, subject to exceptions, to the economic dismissal procedures initiated from 1 February 2023, in line with the date of entry into force of Decree No 2023-33 of 26 January 2023. Specifically, this new amendment:

- extends the agreement until 31 December 2023;
- takes into account developments in the Unemployment Insurance rules resulting from the Decree of 26 January 2023: it excludes the application of the 0.75 coefficient for the calculation of the benefit period for beneficiaries with less than 1 year's seniority;
- incorporates certain regulatory changes intended to secure the implementation of the system by Pôle emploi: these provisions concern the IDR (following referral to the Ombudsman (DDD)) and the management of activities carried on or resumed just before joining the CSP.

Specific provisions have also been made for implementation of the career safeguarding contract in Mayotte.

FURLOUGHING SCHEME

Since 1 January 2023, the possibility of making use of the furloughing scheme has been maintained for private-law employees of public sector employers who carry on an industrial and commercial activity and who have joined the Unemployment Insurance scheme. This is now also the case for employees of companies that do not have an establishment in France, as long as they are subject, for the latter, to social contributions and contributions of legal or conventional origin and the obligation to insure against the risk of job deprivation under French legislation (Finance Law No. 2022-1726 of 30 December 2022 for 2023).

FINANCIAL STRATEGY

In the light of economic developments, Unédic regularly updates its spending and revenue forecasts. Therefore, in 2023, the slowdown in growth is expected to increase the number of benefit recipients in receipt of benefits, while the end of the ramp-up of the 2021 reform is expected to decrease. In particular, based on these elements, Unédic anticipates surpluses for the period 2023-2025, which should enable it to accelerate the repayment of its debt, which remains high.

To meet the cash requirements of the scheme, on 17 February 2023, the Board of Directors decided to authorise, for the year 2023, up to one billion euros in new bond issues and up to one billion euros in the purchase of securities issued by Unédic as part of its medium-term (NEU MTN) and long-term (EMTN) debt issuance programmes, with a view to managing assets and liabilities and restructuring its debt. The Board of Directors also:

- confirmed the characteristics of the funding programmes:
  - NEU EMTN, in a maximum amount of 60 billion euros;
  - NEU MTN, in a maximum amount of 10 billion euros;
  - NEU CP, in a maximum amount of 18 billion euros;
- adjusted the characteristics of the liquidity buffer:
  - a minimum outstanding amount of 2.5 billion euros, adjusted daily according to the projected disbursements;
  - invested by applying specific prudential rules.

These legislative provisions, as well as the decisions taken by the Board of Directors, have therefore enabled Unédic to implement its 2023 funding programme. Indeed, an issue of one billion euros maturing in 10 years' time (25 April 2033) took place on 26 April at a rate of 3.156%.

IN 2023, UNÉDIC WILL CONTINUE TO PROTECT CAREER PATHS AS CLOSELY AS POSSIBLE TO THE REALITIES OF EMPLOYMENT

Unédic is an integrated centre of expertise, with unique know-how that enables it to continuously adapt Unemployment Insurance to keep up with changes in employment and changes in the economy.

In 2022, for example, this know-how resulted in the production of a summary file that lists the major changes that are underway or on the way and their impact on Unemployment Insurance.

Senior employment, getting young people into the labour market and apprenticeships are at the heart of these issues.

On the basis of its expertise and its position at the coal face of employment, Unédic also produced studies and analyses throughout the year to contribute to the social partners' thinking, in particular during the consultation phases with the State.

Two new agreements were signed to adapt the management of Unemployment Insurance. The first one, with Urssaf Caisse nationale, made it possible in particular to secure access to data and the new methods for repayment of sums due. The second, a tripartite agreement with the State and Pôle Emploi, made it possible to specify the budget and objectives of each of the stakeholders, pending the establishment of France Travail.

Internationally, Unédic is now a member of the representation of French social security institutions to the European Union (REIF). In 2022, Unédic also took part in the Regional Social Security Forum for Europe organised by the International Social Security Association (ISSA) in Tallinn, Estonia, where its Social Bonds on financial markets were awarded a prize in the category of Best Practices.

FINANCIAL STATEMENTS

BALANCE SHEET – ASSETS – UNÉDIC ASSOCIATION

ASSETS (EUR millions)	2022			2021		
Non-current assets			**33.3**			**39.9**
Intangible assets		1.9			1.0	
Tangible assets		16.0			21.9	
Non-current financial assets		15.4			17.0	
Current financial			**9,099.6**			**10,572.2**
Receivables:		4,991.4			5,834.8	
- Beneficiaries	*452.9*			*449.0*		
- Affiliates	*4,538.5*			*5,385.8*		
Other receivables		382.2			577.1	
Marketable securities		2,034.8			3,139.2	
Cash and cash equivalents		1,667.1			950.5	
Prepaid expenses		24.1			70.6	
Deferred expenses			**58.1**			**66.3**
Bond redemption premiums			**114.4**			**128.2**
Total assets			**9,305.5**			**10,806.6**

BALANCE SHEET – EQUITY AND LIABILITIES – ASSOCIATION UNÉDIC

EQUITY AND LIABILITIES (EUR millions)	2022			2021		
Net situation			**-59,755.2**			**-63,185.0**
Reserves		0.8			0.8	
Retained loss		-63,185.8			56,353.0	
Net profit		3,429.8			-6,832.7	
Provisions for contingencies and expenses			**108.0**			**116.6**
Debts			**68,644.8**			**73,477.0**
Loans and borrowings:		**64,617.8**			**67,939.8**	
- Bond issues	*51,709.1*			*52,960.9*		
- Other loans and borrowings	*12,905.5*			*14,978.5*		
- Short-term bank facilities	*2.8*			*0.0*		
- Other borrowings	*0.3*			*0.3*		
Other liabilities:		4,027.0			5,537.2	
- Affiliates	*271.6*			*397.3*		
- Beneficiaries	*2,809.7*			*2,845.6*		
- Tax and social security	*129.4*			*142.5*		
- Suppliers	*10.1*			*6.3*		
- State	*71.3*			*110.8*		
- Other	*734.9*			*2,034.8*		
Accruals accounts			**307.9**			**398.0**
Total equity and liabilities			**9,305.5**			**10,806.6**

INCOME STATEMENT – ASSOCIATION UNÉDIC

INCOME STATEMENT (EUR millions)	2022			2021		
TECHNICAL MANAGEMENT						
Income		**44,880.2**			**41,038.1**	
Contributions	43,347.9			40,332.7		
Other income	13.1			51.1		
Reversals of provisions	1,267.3			268.1		
Transfers of expenses	251.9			386.3		
Expenses		**41,127.2**			**47,545.3**	
Return-to-Work Allowance	29,517.3			33,644.2		
Other benefits	2,763.5			3,302.4		
Redeployment benefits	745.1			677.4		
Validation of pension credits	2,228.7			2,448.7		
Furloughing scheme	195.2			2,551.5		
Other expenses	5,487.5			4,817.3		
Charge to provisions	189.9			103.8		
Technical result			**3,753.0**			**-6,507.2**
ADMINISTRATIVE MANAGEMENT						
Income		**47.0**			**63.3**	
Provision of services	39.8			39.1		
Other income	7.2			24.2		
Expenses		**81.4**			**98.8**	
Purchases	0.6			0.4		
External services	32.4			51.1		
Taxes and duties	4.1			4.2		
Wages and social security expenses	29.8			30.1		
Other expenses	0.0			0.0		
Amortisation, depreciation and provisions	14.5			13.0		
Administrative management expense			**-34.5**			**-35.5**
FINANCIAL MANAGEMENT						
Financial income		135.3			101.7	
Financial expenses		434.7			404.5	
Net financial expense			**-299.4**			**-302.8**
EXCEPTIONAL TRANSACTIONS						
Technical management		0.0			0.0	
Administrative management		12.1			13.0	
Net exceptional income			**12.1**			**13.0**
Corporation tax and similar expense			**-1.5**			**-0.3**
Profit or loss			**3,429.8**			**-6,832.7**

Unédic is the joint association that manages Unemployment Insurance in France. It is governed by the social partners: it has a Board of Directors and a Committee made up of representatives of trade unions and employers' organisations.

Its main tasks are to advise the social partners through studies and analyses of the labour market, to safeguard the rules on benefits and ensure the funding of benefits payable by the unemployment insurance scheme.
Unédic's expenditures mainly comprise the allowances paid to jobseekers, participation in the supplementary pension funds of beneficiaries, the funding of Pôle Emploi and, since the beginning of March 2020 and to a lesser extent in 2022, the funding of the exceptional furloughing scheme, alongside the State.

Unédic's workforce on 31 December 2022 comprised 334 employees: 115 employees specialised in the management of the unemployment insurance scheme and 219 employees specialised in the management of the wage guarantee scheme.

Unédic's net administrative management costs amounted to 34.5 million euros in 2022 (including management of Unédic's real estate assets and payments to trade union and employers' organisations). The AGS management mandate is neutral in Unédic's accounts, since the associated expenses are recharged/rebilled (39 million euros).

1. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

1.1 – LEGAL AND REGULATORY MEASURES

1.1.1 – MEASURES RESULTING FROM THE LAW OF 14 FEBRUARY 2022 IN FAVOUR OF SELF-EMPLOYMENT

The self-employed workers' allowance (ATI), created by Law No. 2018-771 for the freedom to choose one's professional future, for the record, constitutes a form of replacement income paid on behalf of Unédic, and is separate from ARE.
The ATI was established for the benefit of the self-employed following the permanent and involuntary loss of their self-employed professional activity.

Law No. 2022-172 of 14 February 2022 in favour of self-employment, and its implementing decrees, have changed this system to widen access to it:
- creation of a new access route to the device;
- limitation to one ATI request per person every 5 years;
- relaxation of the assessment of the condition of previous income;
- determination of an individualised ATI amount when the ATI lump sum is greater than the amount of the average monthly income.

The entry into force of these new provisions is set for 1 April 2022 and concerns applications for allowances filed on or after that date.

1.1.2 – EXTENSION OF THE DEFAULT DECREE OF 26 JULY 2019 BY THE DECREE OF 29 OCTOBER 2022

Default decree No. 2019-797 of 26 July 2019, which expires on 1 November 2022, Decree No. 2022-1374 of 29 October 2022 secures and extends identically the rules on unemployment insurance compensation and contributions until 31 January 2023 in order to enable the continued payment of unemployment insurance benefits and the recovery of related contributions.

1.1.3 – MEASURES RESULTING FROM THE LAW OF 21 DECEMBER 2022 ON EMERGENCY MEASURES RELATING TO THE FUNCTIONING OF THE FULL EMPLOYMENT LABOUR MARKET

1.1.3.1 – Exceptional jurisdiction of the State in matters of unemployment insurance

Law No. 2022-1598 of 21 December 2022 establishes an exception regime, which enables the State to determine, via a decree of the Council of State taken after ad hoc consultation with the social partners, the rules relating to the compensation and funding of the regime, namely the general unemployment insurance regulations and the annexes thereto (including annexes VIII and X) by no later than 31 December 2023

(31 July 2024 for the bonus-malus). This exception scheme extends the effects of the waiting period regime which followed the breakdown of the negotiations of the social partners following the provisions of Article 57 of Law No. 2018-771 of 5 September 2018 for the freedom to choose one's professional future and the last paragraph of Article L. 5422-20 of the French Labour Code.

1.1.3.2 – Introduction of the principle of countercyclicality into the French Labour Code

The law introduces the possibility of modifying, taking into account short-term indicators on employment and the functioning of the labour market, the conditions of membership required for the opening or replenishment of rights, as well as the term of unemployment insurance benefit (new article L. 5422-2-2 of the French Labour Code/ see paragraph 3.2 the measures of the decree of 26 January 2023).

1.1.3.3 – Non-compensation of employees who have left their job

The law establishes an assumption of resignation in the event of voluntary abandonment by the employee of their job, to whom the employer has given formal notice to justify his/her absence and to resume his/her position (new article L. 1237-1-1 of the French Labour Code). Decree No. 2023-275 of 17 April 2023 specifies the conditions for implementing this assumption. Therefore, since 19 April 2023, the abandonment of one's job for which a presumption of resignation is established means that the employee is no longer entitled to compensation under the unemployment insurance scheme.

1.1.3.4 – Non-compensation for employees on fixed-term or temporary contracts, in the event of repeated refusal of a fixed-term contract

The law provides that a jobseeker who has twice refused, over the previous 12 months, a proposal to pursue a fixed-term contract will lose his/her entitlement to unemployment insurance (Article L. 5422-1 of the Labour Code). A decree will set the declarative procedures by the employer.

1.1.3.5 – Establishment of an option to review the individual situations of local officers

The law creates an optional review procedure for certain compensation cases involving former civil servants (new article L. 557-1-1 of the French General Civil Service Code).

1.1.4 – EMERGENCY MEASURES IMPLEMENTED FOR JOBSEEKERS IN RESPONSE TO THE HEALTH CRISIS LINKED TO THE COVID-19 EPIDEMIC

To consider the consequences on the labour market of the Covid-19 epidemic, including following the introduction of two travel restrictions, the government decided to implement several emergency measures to respond to the economic and social consequences of the epidemic on the situation of jobseekers receiving benefits.

In this context, in addition to an exceptional extension of the benefit payment periods, several emergency measures were implemented, the impacts of which were prolonged after the so-called Covid period, including:

- extension of the membership reference period to include the days included in the travel restriction periods, namely from 1 March to 31 May 2020 and from 30 October 2020 to 30 June 2021;
- the extension of the time limit for these periods impacts the capital of the remaining entitlements of the people compensated in 2022 and 2023.

1.1.5 – TERM OF THE EMERGENCY MEASURES RELATING TO ANNEXES VIII AND X TAKEN IN RESPONSE TO THE HEALTH CRISIS CAUSED BY THE COVID-19 EPIDEMIC

To cope with the economic, financial and social consequences of the spread of the Co-

vid-19 virus, the Government decided to implement a Culture Plan designed to assist the entertainment sector and, as a result, benefit recipients compensated under Annexes VIII and X considered to be permanently impacted by the state of health emergency set up to cope with the epidemic.

With regard to the unemployment insurance scheme, this Culture Plan included a measure to extend the duration of benefits for beneficiaries covered by Annexes VIII and X to the unemployment insurance regulations until 31 December 2021, known as the "year of no change", which was original scheduled to come to an end on 31 December 2021.

Upon its completion, i.e. on 1 January 2022, a review of entitlements to the return-to-work allowance was conducted under the conditions of common law provided for by the provisions of Annexes VIII and X resulting from Decree No 2019-797 of 26 July 2019, subject to certain adjustments. These adjustments include the setting of a 'floor' anniversary date, the adjustment of the arrangements for benefiting from the catch-up clause and the application of derogating review arrangements to persons who have experienced periods of sickness, maternity or paternity leave or adoption leave as at 31 December 2021.

In addition, a new allowance has been created for new claimants on the scheme described in Annexes VIII and X who are under the age of 30, known as the return-to-work allowance for young technical workers and performing artists. This allowance, paid for a period of no more than 6 months, constitutes an advance on the future allowances under Annexes VIII and X and is accompanied by the need for the beneficiary to prove that they have worked the additional hours necessary for their entitlement by no later than at the end of that 6-month period. It is open to beneficiaries who meet certain conditions, including proving that they have at least 338 hours of membership under Annexes VIII and X and proving that their employment contract came to an end between 1 September 2021 and 28 February 2022.

1.1.6 – MEASURES RELATING TO CONTRIBUTIONS

1.1.6.1 – Support measures for enterprises, including unemployment insurance contributions

In order to cope with the economic difficulties experienced by particularly affected enterprises as a result of the health crisis, Article 9 of the 2021 Social Security Funding Act made changes to their payment of social security contributions, including contributions paid to the unemployment insurance scheme in respect of their employees' employment. This provision provides for an exemption from employers' social security contributions (Art. 9-1) and a measure to assist in the payment of social security contributions (Art. 9-11).

Decrees Nos. 2022-170 of 11 February 2022 and 2022-806 of 13 May 2022 extended these two measures to periods of employment up to 28 February 2022, for employers with less than 250 employees in the IS and IS bis sectors (annexes 1 and 2 of Decree No. 2020-371 of 30 March 2020 in its version in force on 1 January 2021).

The exemption and payment aid benefit all employees, regardless of the amount of their remuneration, but only on that portion of their remuneration that accounts for less than 4.5 times the minimum wage in force for the month in question.

Exemption from employers' social security contributions (Art. 9-1)

To benefit, employers must, during the month to which the exemption is applicable:

- have been the subject of measures which entirely prohibit them from receiving the public;
- either having observed a decrease in their turnover of at least 30% compared to the turnover for the same month over one of the two previous years.

Assistance in payment of all contributions, of both employees and employers, payable to collection agencies (Art. 9-11)

Aid in the payment of contributions and social security contributions is equal to 20% of the amount of remuneration in respect of which the employer is subject to the exceptional exemption from contributions. For the month of February 2022, in the event of a decrease in turnover of at least 30% but less than 65%, employers may only benefit from payment aid at a rate of 15%.

The payment aid takes the form of a contribution credit payable to all contributions, both employer and employee, and remain payable by the employer in respect of 2022 after application of the contribution exemption scheme and any other total or partial exemption applicable. The aid is payable on all the sums due to the collection agencies referred to in Article L. 5427-1 of the French Labour Code, the Urssaf and CGSS, the agricultural social mutuality funds (CMSA) and Pôle Emploi for the employment of temporary workers in entertainment and expatriate workers. The Caisse de Sécurité sociale de Mayotte (CSSM) and the Caisse de prévoyance sociale de Saint-Pierre-et-Miquelon (CPS) are also entitled to grant this payment aid.

1.1.6.2 – Bonus-malus

The bonus-malus consists, for employers of 11 employees and more in certain sectors of activity (as defined in a ministerial decree), of modulating the rate of employers' contribution to unemployment insurance by 4.05%, between 3% (bonus) and 5.05% (malus), depending on the number of endings of employment contracts attributable to the company giving rise to registration with Pôle Emploi.

The bonus-malus entered into force on 1 September 2022, on the basis of contracts coming to an end between 1 July 2021 and 30 June 2022. However, for the first application of the bonus-malus, the sectors of activity most affected by the health crisis such as hotels and restaurants are not affected.

Law No. 2022-1598 of 21 December 2022 allows:

- the consolidation of the system over two financial years, by authorising the State to set by decree the rules relating to the bonus-malus until 31 August 2024 [the decree of 26 January 2023 extends the first period of modulation of unemployment insurance contributions (which began on 1 September 2022) until 31 August 2023 and establishes a second period of modulation from 1 September 2023 to 31 August 2024, on the basis of contracts coming to an end between 1 July 2022 and 30 June 2023 for all sectors concerned covered by the ministerial decree];
- an improvement in the employer's information, with the option to ask Urssaf or CCMSA for the list of employees concerned by the breaks attributed to the company and who have registered on the list of jobseekers.

1.1.6.3 – New terms for repayment of unemployment insurance contributions due by Acoss to Unédic

The organisation of financial relations between Acoss- Unédic is based on the following principles, from 1 January 2022:

- repayment of unemployment insurance contributions to Unédic on the basis of the sums due from employers (and no longer the sums actually collected by the URSSAFs). Pursuant to Article 12 of the Social Security Funding Act for 2022, the Acoss (now Urssaf Caisse nationale since 2021) pays the unemployment insurance contributions due on wages as declared by employers via the DSN, after application of a flat rate for non-recovery costs of 1.1% fixed by order of 8 August 2022, under the conditions provided for by Decree No. 2022-136 of 5 February 2022;
- determination of management fees by regulation, in accordance with Article 18 of the 2020 Social Security Funding Act. A management fee rate of 0.1%, set by order of 23 May 2022, is applied to the sums paid to Unédic.

In application of these provisions from 1 January 2022, the financial statements for the 2022 financial year record changes in presentation, the main ones being presented below, and include the flows relating to the clearance of balances at the end of 2021, the details of which are communicated in paragraph 2.4.2.1:

MAIN AMENDED HEADINGS (in thousands of euros)	References	2022 Implementation of the system for repayment of amounts due (RSD)	2021 With the repayment system according to the receipts
BILAN ACTIF			
AFFILIATES AND OTHER FUNDERS	4.1.2.1	**4,538,522**	**5,385,754**
Of which:			
- RSD contributions		2,305,379	
- Contributions due Acoss		1,753	4,319,042
- Depreciation provisions Acoss			-1,241,632
OTHER RECEIVABLES	4.1.2.2	**372,786**	**577,082**
Of which repayment of sums due		47,910	
BALANCE SHEET – EQUITY AND LIABILITIES			
PROVISIONS FOR CONTINGENCIES AND CHARGES		**108,010**	**116,581**
Including char. risk provisions CT (UCN affiliates)	4.2,2	84,495	92,242
PAYABLES TO AFFILIATES	4.2.4.1	**271,632**	**397,269**
Of which:			
- Affiliates cash receipts to be broken down RAC		-	148,046
- Affiliates cash receipts to be broken down EPM			661
- Affiliates cash receipts to be broken down ACS			6,401
OTHER DEBT		**806,180**	**2,145,531**
Of which:			
- Current collection operations		-	277,578
- Amounts owed to ACS from collection	4.24.5	95,234	128,324
INCOME STATEMENT			
INCOME			
CONTRIBUTIONS AND OTHER FUNDING		**43,347,905**	**40,332,723**
Of which main contributions	5.1.1.1	26,943,613	24,889,950
REVERSALS OF DEPRECIATION, AMORTISATION AND PROVISIONS		**1,267,315**	**268,074**
Of which:			
- Provision for doubtful accounts UCN/ TESE/ EPM/Mayotte	5.1.1.3	1,241,632	186,727
- Provision for RC Acoss/Urssaf Caisse nationale	5.1.1.3	7,747	6,210
EXPENSES			
OTHER TECHNICAL MANAGEMENT INCOME	5.1.2.4	**5,682,750**	**7,368,828**
Including non-value admissions of receivables	2.4.2.1	1,245,182	144,840
ALLOC. DEPR. AND PROV. CT	5.1.2.5	**189,888**	**103,808**
Of which:			
- Alloc. of provisions for contingencies and CT charges (UCN/EPM/tese/TTS)			5,105
- Allowance for employer litigation provisions			3,219

1.2 – STATE-UNÉDIC COMMON SCHEMES

1.2.1 – FURLOUGHING SCHEME

Before the beginning of the health crisis, the employer paid employees an amount equal to 70% of their usual gross hourly pay. In consideration, the employer received a furloughing allowance funded by the State and Unédic equal to €7.74 for each paid hour paid for companies with a workforce of 250 employees or less and €7.23 for other companies, (including €2.90 funded by Unédic, in accordance with the terms set out in the State-Unédic funding agreement of 1 November 2014). This scheme was in place until 28 February 2020.

Following the Covid-19 epidemic, to limit the economic and social consequences of the health crisis, the furloughing scheme was substantially reformed during 2020.

Decree No 2020-325 of 25 March 2020 modified the terms of compensation for companies, increasing the amount of the furloughing scheme allowance to 70% of the employee's reference gross remuneration (limited to 4.5 times the minimum wage), regardless of the numbers they employed, which modification took effect on 1 March 2020.

Order No 2020-346 of 27 March 2020 extended the scope of benefit recipients of the scheme to new categories of employers and employees, who were previously excluded (employers that are private individuals, employees of companies not having establishments in France, employees of agencies with sole financial autonomy that manage a public service of an industrial or commercial nature, ski lifts, ski slopes or thermal cures, employees under private law of some public employers, as well as employees furloughed on child care leave, vulnerable employees and employees cohabiting with vulnerable persons).

As from 1 June 2020, Order No 2020-770 of 24 June 2020 and Decree No 2020-810 of 29 June 2020 introduced a change in the amount of the furloughing scheme allowance, maintaining it at 70% of the reference salary for companies in the economic sectors most affected by the health crisis, and lowering it for other companies to 60% of the reference salary. In view of the continuation of the Covid-19 epidemic, this compensation scheme was maintained in 2021 and until 31 March 2022 for certain sectors still affected by the Covid-19 crisis (companies whose main activity involves receiving the public and which has been interrupted, partially or totally, due to the measures taken to limit the spread of Covid-19, a company located in a territorial district subject to specific restrictions of conditions for the exercise of economic activity and the movement of persons taken by the administrative authority in order to cope with the Covid-19 epidemic in the context of the state of health emergency, when it undergoes a significant decrease in turnover).

Since 1 April 2022, the common law rates apply to all undertakings (allowance and allowance respectively equal to 60% and 36% of gross hourly remuneration limited to 4.5x the minimum wage). By way of exception, however, the more favourable arrangements applicable to employees who are forced to care for their children and to vulnerable persons were maintained until 31 July 2022 and 28 February 2023 respectively (indemnities and allowances equal to 70% of the gross hourly remuneration, limited to 4.5 times the minimum wage).

In addition, a specific long-term furloughing scheme (APLD) applied from 1 July 2020. This scheme's introduction was subject to the signing of a collective agreement, which includes commitments to maintaining jobs, and was approved beforehand by the administrative authority.

Initially applicable for a period of 24 consecutive or non-consecutive months over a period of 36 months and limited to agreements sent to the administrative authority for validation, by 30 June 2022 at the latest, these modalities have been adapted to deal with the economic consequences of the war in Ukraine. Thus, recourse to the scheme is now authorised for a period of 36 consecutive or non-consecutive months over a period of 48 months, while the limit for the filing of unilateral agreements and documents has been postponed to 31 December 2022.

In the event of recourse to the APLD, the reduction of employees' working time is limited to 40% of the legal term. The benefit and the furloughing scheme allowance are increased respectively to 70% and 60% of the reference gross hourly remuneration (limited to 4.5x the minimum wage).

In amendment No 1 of 18 December 2020 to the State-Unédic agreement of 1 November 2014, the State and Unédic agreed to set their contribution to funding the scheme at 67% and 33% respectively of the allowances paid. Three other amendments to the agreement allowed these financing arrangements to be extended until 31 December 2023 (amendment no. 2 of 16 June 2021, amendment no. 3 of 3 January 2022 and amendment no. 4 of 30 November 2022). Amendment No 1 also gave Unédic the option of auditing the ASP, as well as the data exchange arrangements to ensure the management and financial monitoring of the system.

Finally, the operational terms of payment of Unédic's share of ASP benefits are set out in Amendment No 1 of 24 February 2021 to the Unédic - ASP agreement of 24 February 2015. It is specified that the sums wrongly charged to Unédic for exceptional aid granted to companies whose staff came into contact with the public, in respect of paid leave taken by their employees between 1 January and 7 March 2021, are refunded in full to Unédic according to subsequent terms.

In 2021, 2.6 billion were recorded in expenses. These expenses decreased significantly in 2022, resulting in 195 million euros in expenses recorded in Unédic's accounts (174 million euros in net expenditures, with reversal of accrued expenses and provisions for 2021 expenses of 165 million euros, and approximately 21 million euros in accrued expenses in 2022). In addition, the amount of off-balance-sheet commitments on this system takes the Unédic share (33%) to 16 million euros (see section 6.2 below).

1.2.2 – CAREER SAFEGUARDING CONTRACT (CSP)

Amendment No 5 of 28 June 2021, approved by Order of the Prime Minister of 24 September 2021, extended the agreement of 26 January 2015 relating to the CSP until 31 December 2022.

The Social Partners have introduced specific rules for the CSP which differ, in certain aspects, from the unemployment insurance regulations resulting from decree No 2019-797 of 26 July 2019 then in force for the year 2022 (the decree of 26 July 2019 was extended by decree No 2022-1374 of 29 October 2022).

Thus, the rules derogating from the ordinary law regulations, applicable to employees subject to redundancy for economic reasons initiated, according to the provisions considered, from 1 July 2021 or 1 October 2021, provided for the following parameters:
- specific minimum eligibility condition, fixed at 88 days worked or 610 hours worked, during a reference membership period aligned with that applicable to ARE beneficiaries, namely 24 months (employees aged under 53) or 36 months (employees aged 53 and over);
- the allocation of the Professional Security Allowance (ASP) is calculated on the basis of the remuneration resulting from the only employment contract that gave rise to eligibility for the CSP;
- the sliding scale coefficient is not applicable to the ASP;

→ the duration of the CSP remains fixed at 12 months, for beneficiaries with at least one year of service, subject to the cases for extension provided for: periods of sick leave, up to four months, and periods of maternity leave, up to the legal duration of maternity leave (amendment no. 4), to which are added new cases introduced by amendment no. 5: paternity, adoption or family caregiver leave intervening during the CSP and leading to a suspension of the system.

Moreover, to cope with the economic consequences of the Covid-19 crisis, a measure to extend the ASP benefits for beneficiaries whose entitlements to those benefits had just ended or were about to end and who did not qualify for the ARE allowance was put in place by the social partners on the same terms as the exceptional extension of the ARE allowance.

Three agreements between the State, Unédic and Pôle Emploi, relating to the methods of funding and implementing the CSP, can be developed. Where applicable, discussions between the State and the social partners should focus in particular on the funding of training and support for CSP beneficiaries.

Indeed, since 2020, the State no longer participates in the funding of training and support for CSP beneficiaries. This disengagement of the State follows Law No. 2018-771 of 5 September 2018 for the freedom to choose one's professional future which modified the management and funding scheme for training actions for CSP beneficiaries, which was previously based on the FPSPP and the approved joint collecting bodies (OPCA), as well as on the one-point increase in Unédic's overall contribution to the Pôle Emploi budget as part of "strengthening support for jobseekers", which results from the decree of 26 July 2019.

It is specified that, at this stage, there are no plans to modify the funding of the Professional Security Allowance (ASP), which is divided between the State and Unédic (in practice, State funding is nil since there is no balance to be borne).

1.3 – FUNDING OF UNEMPLOYMENT INSURANCE

From 2008, Unédic saw its debt increase from 5 billion euros in 2008 to 63.6 billion euros at the end of 2021 (not including accrued interest). This increase has enabled the unemployment insurance scheme to maintain a level of benefits equal to that of those European countries providing the highest protection, without affecting employees' purchasing power or labour costs.

The year 2022 marks the return to unemployment insurance surpluses due to the combined effect of the strong economic recovery following the Covid crisis and the various structural reforms enacted by the State, allowing Unédic to reduce its debt to 60.7 billion euros at the end of 2022 (excluding accrued interest).

Because of unemployment insurance's counter-cyclical role, Unédic's debt increases when the economic situation deteriorates, particularly when interest rates are low. In recent years, the particularly low level of base rates, on which the interest rates of Unédic's loans are calculated, is explained by:
→ the implementation of the European Central Bank's (ECB) accommodative monetary policies between 2015 and 2022, and in particular the Pandemic Emergency Purchase Programme (PEPP) to support markets during the Covid-19 crisis;
→ the ability of social partners to put in place a funding strategy that is understood by Unédic investors and stakeholders.

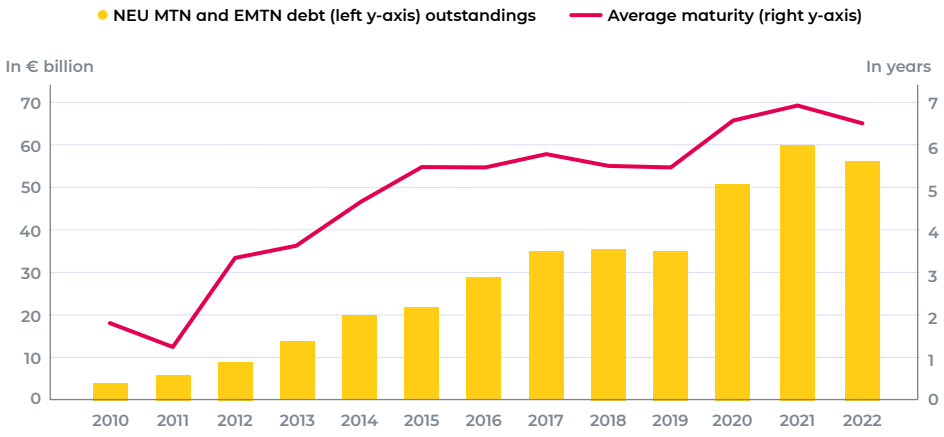
The aim of the funding strategy that has been in place since 2009 was to limit the consequences of the rise in interest rates (which took place in 2022 in connection with the end of the ECB's accommodative monetary policies: increase in key rates, end of the quantitative easing through the purchase of securities on the financial markets, etc.) on the cost of servicing Unédic's debt. Indeed, all loans are taken out at a fixed rate and in euros, thereby limiting Unédic's exposure to market risks.

Until the end of 2019, the successive funding programmes were undertaken such that in no year did Unédic's debt repayments exceed 10% of its revenues. To comply with this constraint, Unédic extended the average maturity of the debt, notably by increasing the maximum maturity of several issues (fixed at 15 years since 2017).

In 2020 and 2021, as a result of the crisis, Unédic's medium- and long-term debt increased substantially (from 34.85 billion euros at the end of 2019 to 59.85 billion euros at the end of 2021). It was therefore decided to pursue this strategy of extending the average maturity of the debt, to limit the risks of:
- refinancing, by distributing the maturity dates over Unédic's debt schedule, to limit the amount of annual repayments;
- higher rates, by taking advantage of the low-rate environment to issue debt of long maturity.

In 2022, the return to surpluses and the decrease in the use of debt issuance on the financial markets led to a decrease in the medium- and long-term debt stock from 59.85 billion euros to 56.75 billion euros and in its average maturity due to the ageing of the stock from 6 years 11 months to 6 years 5 months.

Change in the structure of Unédic's medium- and long-term debt



Source: Unédic – DFC

The borrowings issued under this strategy until 2021 and the start of the deleveraging of the Unédic resulting in a limited use of new borrowings from 2022 helped limit the cost of the debt despite the sharp increase in rates observed today on the markets. Therefore, the average interest rate (weighted by daily outstandings) paid out on borrowings was 0.495% in 2022, versus 0.420% for 2021. The net financial expense amounted to 299 million euros in 2022, i.e. less than 1 % of revenues.

The strong economic recovery in the second half of 2021, which continued in 2022, contributed significantly to the improvement in Unédic's financial situation. For this reason, the 2022 funding programme was revised downwards during the year, from a planned 6.25 billion euros to only 1 billion euros issued on the markets.

Debt at year-end (not including interest) and financial expenses for the period 2015-2022 (in millions of euros)

EUR millions	2015	2016	2017	2018	2019	2020	2021	2022
Net debt (at 31/12)	25,674	29,758	33,549	35,540	36,815	54,611	63,639	**60,714**
Net financial expense	301	324	352	365	334	315	303	**299**
Ratio of net financial expense on net debt	1.17%	1.09%	1.11%	1.03%	0.91%	0.58%	0.48%	**0.49%**

At year-end 2022, Unédic's net debt stood at 60.714 billion euros, i.e.:

Total debt	**64.408 billion euros**
Bond issues	51.500 billion euros
NEU MTN	5.250 billion euros
NEU CP	7.655 billion euros
Short-term bank facilities	0.003 billion euros

Total cash and cash equivalents	**3.694 billion euros**
Investments	2.035 billion euros
Bank balances	0.653 billion euros
Treasury Department account	1.006 billion euros

1.3.1 – BONDS AND BANK LOANS

The maximum outstanding amount of the EMTN (Euro Medium Term Notes) programme was maintained at 60 billion euros in 2022 in anticipation of a year in which the estimated amount of bond issues was 6.25 billion euros at the start of the year. The ceiling of the EMTN programme was increased to EUR 60 billion by the Board of Directors decision of 28 January 2021 (was 50 billion euros at the end of 2020 and 34 billion euros at the end of 2019).

In view of the constraints imposed by Article 213-15 of the French Monetary and Financial Code governing the issue of bonds by associations on the financial markets, Unédic has requested the guarantee of the State. The 2022 finance law published on 30 December 2021 initially granted the State guarantee to the loans contracted by Unédic during 2022, in principal and interest, within the limit of an overall ceiling of 6.25 billion euros to meet the deficit forecast at the time as well as the redemption of bonds in the amount of 4.1 billion euros.

Thanks to exceptional dynamic in revenues from the rebound in the payroll and a decrease in expenditure due to the decline in the unemployment rate and especially the cessation of the various emergency measures, 2022 marks the return to a positive financial situation for Unédic.

Thus, the total budget of €6.25 billion has not been fully used up. Eight issues were executed through Unédic's EMTN programme, for an amount of 1 billion euros:

	Amount of the issue (EUR millions)	Maturity	OAT (1)	Risk premium (2)	Share premium (3)	Effective interest rate (1+2+3)
EMTN 33.1	1,000	10 years	1.604%	0.220%	0.010%	1.834%

This issue benefited from the rating given to Unédic by the rating agencies Fitch Ratings (AA) and Moody's (Aa2) when undertaken.

1.3.2 – NEU MTN (FORMERLY "BONS À MOYEN TERME NÉGOCIABLES – BMTN")

The putting in place of a 3 billion-euro BMTN (Negotiable medium-term notes) programme was authorised by the Board of Directors decision of 27 June 2014, to reduce the stock of commercial paper and extend the average duration of the unemployment insurance scheme's debt. The programme's authorised maximum outstanding amount and maturity were successively increased to a maximum of 10 billion euros and 7 years respectively. In view of the improvement in Unédic's financial trajectory observed in 2021, on 29 June 2021, the Board of Directors decided to reduce the maximum maturity to 5 years.

In 2016, Unédic took advantage of the transferable debt securities market reform to create NEU MTN (formerly BMTN) documentation that complies with the provisions of the Prospectus Directive. The development of this documentary innovation allows the listing of NEU MTN securities on Euronext.

This programme was not used in 2022.

1.3.3 – NEU CP (FORMERLY "BILLETS DE TRÉSORERIE")

The use of this means of funding for associations was authorised, under certain conditions, in Article 37 of Law No 2003-706 of 1 August 2003. The maximum outstanding amount of 1.2 billion euros in 2004 was gradually raised to reach a ceiling of 12 billion euros authorised by the Board of Directors in June 2012 and then reduced to 10 billion euros in January 2016 following the decisions of the Board of Directors. The total outstanding amount of the programme on 31 December 2019 was 6.23 billion euros.

In 2020, Unédic's NEU CP programme was used first to fund the sudden and significant increase in cash requirements during the first lockdown between March and May. Thus, the total amount of short-term debt securities quickly reached the programme's ceiling of 10 billion euros in April and it was decided to increase this ceiling to 18 billion euros. The amounts borrowed continued to rise rapidly until the end of May, reaching the programme's ceiling of almost EUR 18 billion. Unédic's medium- and long-term funding programmes were revised upwards and used from mid-May, ensuring the continuity of funding as a substitute for NEU CP short-term debt issues. As a result, the stock of NEU CP securities was able to be reduced from the summer of 2020 to 11.8 billion euros at the end of 2020.

In 2021, the gradual improvement in Unédic's financial situation made it possible first to stabilise the stock of short-term debt, and then even to reduce it at the end of the year, reaching 7.9 billion euros on 31 December 2021. The return to surpluses in 2022 made it possible to continue reducing the stock of NEU CP to a level of 7.6 billion euros at the end of the year. The average interest rate of the outstanding amount of NEU CP at the end of December 2022 was +1.30% (compared to -0.58% at the end of 2021). Positive remuneration generates financial expenses while negative remuneration is recorded in financial income.

Today, this CP NEU programme is rated “P-1” by Moody’s and “F1+” by Fitch Ratings.

Initially, at the request of the rating agencies, syndicated and confirmed credit lines had been set up to ensure the coverage of this programme and thus to offset any impaired functioning of the money market.

Since July 2012, these lines of credit have been replaced by a minimum liquidity reserve of EUR 2 billion, the level of which varies depending on the use of the commercial paper programme and amount of projected disbursements in the rolling fortnight, (cf. 1.3.5 Investments and cash and cash equivalents). This strategy showed its relevance in meeting the strong liquidity constraints in 2020 when bank credit lines could not be mobilised during the previous major liquidity crises (the Great Financial Crisis and the European sovereign liquidity crisis). It also makes it possible to do away with the significant costs of lines of credit (commissions, non-use rate) while generating, through substitution, a positive financial result on the carrying of NEU CP debt, issued in addition for liquidity hedging, and liquidity buffer investments (cf. 1.3.5 Investments and cash and cash equivalents).

1.3.4 – BANK FINANCE - OVERDRAFTS

The very short-term funding needs are covered in the form of bank overdrafts negotiated over the counter with Unédic’s banking partners (of the order of 1 billion euros negotiated).

At the end of the financial year, current bank loans amounted to 2.8 million euros.

1.3.5 – INVESTMENTS AND CASH AND CASH EQUIVALENTS

In 2022, the improvement in Unédic’s financial situation made it possible to reduce the average daily amount of Unédic’s liquidity buffer to 4.5 billion euros (versus 4.9 billion euros in 2021).

By way of reminder, following the publication of the Social Bond Framework document in May 2020, Unédic undertook, on a best effort basis, to place its liquidity in responsible investments. As a result, a monitoring of funds with the SRI label awarded by the French Ministry of Economy and Finance was put in place. At the end of 2020, Unédic’s total cash reserves invested in monetary vehicles were invested in SRI-labelled funds. This was also the case throughout 2021 and 2022.

At the end of 2022, Unédic’s investments totalled 3.7 billion euros (versus 4.1 billion euros at the end of 2021).

The average rate of remuneration from investments and cash and cash investments in December 2022 was +1.96% (versus a “negative remuneration” of -0.45% in December 2021), a sharp increase due to the aforementioned increase in market rates. Positive remuneration generates financial income while negative remuneration is recorded as a financial expense.

1.4 – RELATIONS BETWEEN PÔLE EMPLOI AND UNÉDIC

The tripartite agreement between the State, Unédic and Pôle emploi, as provided for by law, sets the strategic objectives of the offer of service and operator's action, sets out the resources placed at its disposal and determines the tools for managing its performance.

The 2019-2022 agreement was signed on 20 December 2019. It sets out three strategic thrusts for Pôle Emploi:
- increase speed and facilitate the return to sustainable employment for jobseekers, adapting the personalisation and intensification of support to the needs of each person throughout his or her career;
- combat more effectively difficulties faced by companies in recruiting, by responding in a personalised and responsive way to the needs of companies, in particular small and medium-sized enterprises;
- develop and enhance the skills and qualifications of jobseekers to promote recruitment, including by offering more relevant, personalised training that is easier to access.

The financial relations related to the implementation of this agreement are the subject each year of a cash management agreement concluded between Unédic and Pôle Emploi which specifies the amount and methods of payment of the contribution payable by Unédic regarding what is provided for by law. Up to 31 December 2019, this contribution was 10% of Unédic's financial year N-2 resources.

In accordance with Decree No 2019-797 of 26 July 2019 relating to the unemployment insurance scheme, for 2022, Unédic's annual contribution to Pôle Emploi's budget is fixed at 11% of Unédic's financial year N-2 resources (as referred to in Articles L. 5422-9, L. 5422-11 and L. 5422-20 of the French Labour Code).

This translates into a technical management charge of 3.9 billion euros for the 2022 financial year, recognised in the income statement.

Pôle Emploi is responsible for paying the benefits to members of the unemployment insurance scheme and for collecting contributions for some categories of employees, on behalf of Unédic. In 2022, contributions collected by Pôle Emploi amounted to 0.8 billion euros (excluding AGS contributions) and benefits and aid amounted to 33 billion euros.

An agreement between Unédic and Pôle Emploi governs this delegation of services and operations between the two bodies (see above).

In addition, Pôle Emploi is responsible for implementing specific mechanisms through the conclusion of an agreement for the funding of the support of participants of the career safeguarding contract (CSP), which followed the CRP and CTP mechanisms, and translated into Unédic recording a charge of 47 million euros in 2022 relating to the CSP support expenditures.

UNEDIC-PÔLE EMPLOI AGREEMENT OF 21 DECEMBER 2012

The Unédic-Pôle Emploi bipartite agreement signed on 21 December 2012 specifies the conditions for the exercise of the missions delegated by Unédic to Pôle Emploi, namely the service of paying benefits and aid funded by unemployment insurance to jobseekers and collecting unemployment insurance contributions relating to certain populations, including expatriates and casual workers employed in the entertainment industry.

The arrangements for the provision of these delegated services were designed to ensure complementarity between Unédic and Pôle Emploi, in accordance with the roles and responsibilities of their respective decision-making bodies.

The text is faithful to the objectives of the multiannual agreements signed between the State, Unédic and Pôle Emploi in 2011, 2014 and 2019.

It reproduces the need for performance-based management, adapted to the objectives of the social partners, to offer a quality service to jobseekers and businesses.

The bipartite agreement sets out the procedures for monitoring the objectives, namely the indicators which include first payments to be made on time, quality rate of processing benefit claims, collection rate of overdue payments and collection rate of outstanding CSP contributions (career safeguarding contract).

However, developments in recent years, including concerning management indicators and access to data (with the 2019 tripartite agreement), comitology and, more generally, concerning practices between the two bodies, has led Unédic to propose revising this agreement to adapt it to current circumstances.

In December 2022, an amendment to extend the 2019-2022 tripartite agreement was signed so that the objectives and means defined in this agreement remain applicable in 2023. In a context of transition relating to the modelling phase of France Travail, this amendment was in keeping with the previous agreement. One of the first objectives was to extend the strategic orientations of the 2019-2022 tripartite agreement, to consolidate the projects implemented within this framework and to take into account the various government plans.

1.5 – FINANCIAL RELATIONS WITH COLLECTION AGENCIES

Unédic has several agencies collecting its Unemployment Insurance and AGS contributions contributions under the employee receivables guarantee scheme: Acoss (now Urssaf Caisse nationale), CCMSA, Pôle Emploi, Caisse de compensation des services sociaux (CCSS) de Monaco and Caisse de prévoyance sociale (CPS) de Saint-Pierre-et-Miquelon.

In 2022, collections of contributions and other funding, for all agencies combined, excluding AGS, were recognised as income in the amount of 44.163 billion euros. This compares to 40 billion euros recorded for the same item in 2021. The collection agency Acoss (Urssaf Caisse nationale) accounted for 95% of the amount of collections in respect of the unemployment insurance scheme, which amounted to 41.97 billion euros.

The financial relationship between Urssaf Caisse nationale and Unédic is now governed by the Unédic-Pôle Emploi-Acoss-AGS agreement of 30 September 2022, relating to the collection of contributions and contributions due from employers. This agreement replaces the agreement of 17 December 2010.

The CCMSA and Pôle Emploi are the two largest collection agencies after Acoss (Urssaf Caisse nationale), each having recovered 0.89 million euros and 0.78 million euros in 2022 respectively.

EUR billions	Urssaf Caisse nationale	CCMSA	Pôle emploi	Other	TOTAL
2022 collections	41.97	0.89	0.78	0.52	**44.16**
Share as % of total	95%	2%	2%	1%	100%

The Law of 5 September 2018 for the freedom to choose one's professional future scrapped employee unemployment insurance contributions (2.40%) as from 1 January 2019. To offset this scrapping, the Law on the social security funding for 2019 provided for Unédic being allocated 1.47% of the GSC tax levied on income from employment collected by Acoss. This rate was renewed by the 2021 and 2022 Social Security Funding Act.

In 2022, the amount of GSC on income from employment allocated to Unédic totalled 16 billion euros (including income receivable and net of provision for impairment of bad debts and provision for income reduction).

EXEMPTION MECHANISMS OFFSET BY THE STATE

The 2019 Social Security Funding Act also provided for the extension of the general reduction in unemployment insurance contributions on 1 October 2019 for all employers, except for some types of contracts, of agricultural production and employers located in the French overseas departments, Saint-Barthélémy and Saint-Martin, who had already benefited from the reduction since 1 January 2019. 'Urssaf Caisse nationale makes up the shortfall arising from the general reduction in unemployment insurance contributions. The amounts corresponding to this financial compensation are paid by Urssaf Caisse nationale to Unédic.

The amount of financial offsetting by Acoss of the overall reduction in 2022 totalled 4.5 billion euros (including accrued income).

Some exemptions did not include the general reduction in 2019. This concerns the following exemptions:
- LODEOM (Overseas Economic Development Act);
- Home help;
- Casual workers - jobseekers (TO-DE);
- Maritime armaments companies;
- Apprentices in the public sector do not fall under the industrial and commercial sector.

The compensation by the State to Unédic for these exemptions amounted to a total of 368 million euros in 2022.

Finally, from 2020, given the health crisis linked to Covid-19, exceptional measures to support the economy were put in place for employers (exemption from employers' social security contributions and aid for the payment of social security contributions, see 1.1.7.1).

1.6 – INCREASE IN UNEMPLOYMENT BENEFITS

At its meeting of 30 June 2022, Unédic's Board of Directors decided to increase unemployment insurance benefits (including for Mayotte) by 2.9% as from 1 July 2022:

- the amount of the fixed part of the return-to-work allowance (ARE);
- the minimum ARE amount;
- the floor of ARE Training;
- the floor of paragraph 2 of section 1 of Article 17a of the Unemployment Insurance Regulation relating to the application of the sliding scale coefficient;
- the floor of paragraph 3 of section 1 of Article 17a of the Unemployment Insurance Regulation relating to the application of the sliding scale coefficient.

Reference salaries were also increased by the same rate. The increase applies to beneficiaries whose reference salary is composed entirely of the previous remuneration of at least six months, i.e. before 1 January 2022.

2. ACCOUNTING POLICIES AND METHODS

2.1 – GENERAL PRINCIPLES

Unédic's financial statements for the year ended 31 December 2022 drawn up in euros, comprising the balance sheet, income statement and notes thereto have been prepared in accordance with the chart of accounts of unemployment insurance bodies approved by the National Accounting Council on 9 January 1995 (Notice of Compliance No 79). They take into account the specificities of the declaratory nature of unemployment insurance and the consequences thereof, both as regards the declarations by affiliates and payments to the beneficiaries.

The signatory organisations of the agreement of 14 May 2014 (amended by the amendments of October 2014 and March 2015, extended by Decree No 2016-869 of 29 June 2016) and the agreement of 14 April 2017, having regard to Decree No 2019-797 of 26 July 2019, having regard to Article L. 5422-9 of the French Labour Code relating to the method of funding of benefits paid under this scheme, certify that unemployment insurance is a specific pay-as-you-go scheme.

The Unédic Association's financial statements include the financial statements of the following institutions: Unédic and Unédic-AGS.

Unédic's annual financial statements have been prepared based on financial information produced by the following agencies: Acoss (Urssaf Caisse nationale), CCMSA, Pôle Emploi, the services and payment agency (for the furloughing scheme component), CCSS (Monaco), CPS (Saint-Pierre-et-Miquelon) and summarised in digest documents reflecting transactions undertaken on behalf of the unemployment insurance scheme.

2.2 – UNEMPLOYMENT BENEFITS

2.2.1 – EXPENSES

Under the regulations, jobseekers are required to register and then submit evidence of their seeking work to Pôle Emploi on a monthly basis to avoid their entitlements being revoked. These formalities mean that the benefits can be recognised monthly under technical management expenses.

In the context of this monthly recognition, benefit expenses recognised during a financial year only include benefits paid in respect of the relevant financial year, i.e., benefits paid during the current financial year and benefits to be paid at the start of the following financial year.

Thus, in addition to December benefits paid in January of the following year, payment adjustments may be made in subsequent months. In this context, for accrued benefits payable, Unédic retains an additional provision corresponding to February and March of year N +1 relating to financial year N and earlier years. Regarding accrued aid payable, the provision relates only to the month of January in year N, since the generating event for aid payable in two tranches (such as ARCE, which represented 80% of aid in 2022) is the date the aid was granted. Accordingly, there is no certainty that aid disbursed in February and March of N+1 can be attributable to year N.

2.2.2 – BENEFICIARIES DEBTS

The amount of benefits considered as being due for the current financial year according to the principles referred to above is included in the "Benefit payables" item. This amount is calculated using the benefits paid in January, February and March payable in respect of the current financial year.

2.2.3 – BENEFICIARIES RECEIVABLES

The accounts receivable from beneficiaries (overpayments and advances) are covered by a provision recognised based on the age of the receivables.

Regarding overpayments of less than 25,000 euros: the write-down is calculated on the basis of a statistical law projecting the prospects of recovering overpayments over a period of 4 years. Write-down rates are determined over a 12-month reference period running from 1 December of N-1 to 30 November of year N. This rate was applied to the stock of overpayments on 31 December.

For overpayments in excess of 25,000 each: the identification and case-by-case assessment of the probability of recovery is carried out on the basis of the stock of overpayments at the end of the month of November of year Y. In this context, overpayments relating to cases of fraud must be written down at 100% unless the information available indicates that they will be recovered in the short term. In the event of a significant impact, an update is requested in January N+1 to take into account the December transactions (any new overpayments and changes in December in respect of the stock at the end of November).

2.3 – FURLOUGHING SCHEME BENEFITS

Expenses related to the job retention scheme (furloughing scheme and long-term furloughing scheme) are recorded under other technical management expenses. They consist of grant applications made by companies for hours not worked by their employees for periods of employment in year N, and for the capped gross reference pay of each employee for the said period.

The grant applications are processed by the Services and Payment Agency (ASP) through the network of regional departments for the economy, employment, labour and solidarity (DREETS, formerly DIRECCTE), for payment approval. The ASP is mandated to implement the payment of furloughing scheme grants to employers.

2.3.1 – EXPENSES

Furloughing scheme expenses are recognised based on monthly invoices from ASP and Acoss.

The final billing of the Furloughing Scheme of individual employers scheme was established on 15/11/2022 resulting in the accounting of 122,000 euros in favour of Unédic, the scheme having ended in 10/2021 (period of activity).

2.3.2 – ACCRUED EXPENSES

The calculation of accrued expenses is established on the basis of employers' grant applications in respect employment periods in year N and assessed by the ASP departments between January and March N+1.

In view of the comparison between the potential additional hours to be offset, for the employment periods of year N and the above expenses actually paid, no provision for additional expenses was recorded for the 2022 financial year.

On the balance sheet, expenses paid between January and March N+1, related to N, are included in other liabilities (21 million euros at 31/12/2022).

2.3.3 – ACCRUED INCOME IN THE FORM OF REFUNDS OF PAYMENTS MADE TO PUBLIC SECTOR EMPLOYERS

Article 2 of Order No. 2020-346 of 27 March 2020 provides that furloughing scheme grants paid by Unédic to public employers are to be refunded to Unédic.

Accrued income recorded in respect of the 2021 financial year (112 million euros) was reimbursed by public employers in 2022.

No receivables were identified for financial year 2022.

2.4 – CONTRIBUTIONS AND OTHER FUNDING

2.4.1 – INCOME

By way of reminder, Article 54 of French law No. 2018-771 of 5 September 2018 on the freedom to choose one's professional future scrapped employee unemployment insurance contributions as from 1 January 2019 (except for casual workers employed in the entertainment industry (who remain liable only for the specific contribution referred to in Article L. 5424-20 of the French Labour Code), expat employees whose employer is not required to become affiliated under Article L. 5422-13 of the French Labour Code and employees working in the Principality of Monaco)). To offset this scrapping, Article 26 of Law No 2018-1203 of 22 December 2018 on the social security funding for 2019 provided for Unédic being allocated 1.47% of the GSC tax levied on income from employment collected by Acoss. This 1.47% fraction has remained stable since the LFSS for 2019.

2.4.1.1 – Exemption mechanisms offset by the State

The 2019 Social Security Financing Act also provided for the extension of the general reduction in unemployment insurance contributions on 1 October 2019 for all employers, except for some types of contract, of agricultural production and employers located in the French overseas departments, Saint-Barthélémy and Saint-Martin, who had already benefited from the reduction since 1 January 2019. Acoss makes up the shortfall arising from the general reduction in unemployment insurance contributions. The amounts corresponding to this financial compensation are paid by Acoss to Unédic, after application of a recovery rate (TRAR) set at 1.10%.

Article 8 of the 2019 Social Security Funding Act extended five employer contribution exemptions to unemployment insurance contributions: LODEOM, home helpers, apprentices, maritime armament, and seasonal agricultural (TO-DE). These exemptions are fully compensated for by the four ministries concerned: Overseas, Agriculture, Labour and Ecological Transition. The terms and conditions of this funding are set out in a framework agreement signed between the interested parties.

2.4.1.2 – Effective date of repayment of amounts due (regarding contributions collected by Urssaf Caisse nationale)

In application of b) of 5° of Article L. 225-1-1 of the French Social Security Code, since 1 January 2022 the sums paid to Unédic in respect of the collection by Urssaf Caisse nationale of the contributions allocated to them correspond to the amounts due by the employers, after application of a flat rate fixed by decree with regard to the risk of non-recovery of a portion of these sums. This system is known as Repayment of Sums Due (RSD).

The sums owed by employers correspond to those declared by them and integrated into the collection agencies' information system, as well as those related to control or reliability operations at the initiative of the agencies. They therefore correspond to the amount of revenue recognised by the organisations in their accounts.

The rate of deduction for risk of non-collection is fixed by order of the Ministers responsible for Social Security and the Budget. It is determined from the average rate of non-collection observed at the end of N+3, according to the period of employment at the origin of the receivables N, over a period of 10 years on a segment of the population of employers consistent with the structure of the revenues returned. Thus, considering the rules governing the accountability of earmarked contributions, the calculation of the risk of non-collection corresponds to the average non-recovery rate observed for employers' contributions to the private sector. This rate is subject to a five-year review in accordance with the applicable regulatory provisions.

The Order of 8 August 2022 on the rates of withholding for non-recovery costs provided for in 5° of Article L. 225-1-1 of the French Social Security Code fixed this rate at 1.1% for the Unédic contractor.

The revenue from technical management thus comprises contributions and, other funding:

Contributions

→ Technical management income corresponds to general and specific contributions that employers are required to pay in respect of a year based on the mandatory periodic declarations they make to the Urssaf, the MSA Pôle Emploi's Regional Departments and Pôle Emploi Services, CCSS (Monaco) and CPS (Saint-Pierre-et- Miquelon). Electronic payroll declarations (DSNs) received in January of N+1 are deemed to relate to the current year. For DSNs received in February of N+1, the previous year and earlier year references make it possible to record declared amounts as accrued income.
→ These contributions are supplemented by the amounts of general reductions and specific exemptions offset by Acoss and the ministries.

Other funding

This is the fraction of GSC on income from employment transferred by Acoss, as compensation for the former employee contribution share. GSC accounting income is recorded net of technical expenses and provisions, sent by Acoss.

2.4.2 – AFFILIATE RECEIVABLES

2.4.2.1 – Set-off by Urssaf Caisse nationale of the receivables recorded on 1 January 2022

Article 12 of the Law on the Funding of the Social Security System for 2022 provides that the receivables corresponding to the outstanding amounts due to the beneficiaries on the switchover date in the mechanism for repayment of the sums due, provided for by Article 18 of the LFSS for 2020, are subject to financial set-off by the Urssaf Caisse nationale, and that the terms of settlement of the receivables, in particular their staggering, are set by agreement.

In accordance with these provisions, an amendment to the agreement between Urssaf Caisse nationale, Unédic, Pôle Emploi and AGS relating to the collection of contributions due from employers was signed on 20 October 2022.

The amount to be offset under this amendment corresponds to the estimated recoverable value of the receivables at the changeover date in the new repayment mechanism. This corresponds to the net book value of the remainder to be recovered recognised on 31 December 2021, as follows:

In euros	RAR at 31/12/2021	Provisions for amortisation	Net RAR at 31/12/2021	2021 cash cushion	Amount accruable
Private sector (TREC)	1,941,926,288.30	1,170,726,365.45	771,199,922.85	148,046,188.38	**623,153,734.47**
Private sector (one-stop shop TESE/CEA)	36,944,606.76	32,171,340.20	4,773,266.56		4,773,266.56
Individual employers (EPM)	24,997,087.82	21,534,377.39	3,462,710.43	660,890.56	2,801,819.87
Mayotte private sector	13,211,681.61	11,890,513.45	1,321,168,16		1,321,168,16
DOM private sector (TTS balances)	10,309,800.71	8,656,751.30	1,653,049.41		1,653,049.41
Private sector other	467 627,25	202 707,01	264 920,24		264,920.24
Total Unédic	**2,027,857,092.45**	**1,245,182,054.80**	**782,675,037.65**	**148,707,078.94**	**633,967,958.71**
Private sector (TREC)	94,264,418.74	55,360,178.63	38,904,240.11	6,401,472.05	32,502,768.06
Private sector (one-stop shop TESE/CEA)	2,617,488.91	2,279,307.69	338,181.22		338,181.22
Mayotte private sector	421,320.00	379,188.00	42132.00		42,132.00
DOM private sector (TTS balances)	59,629.51	26,433.25	33,196.26		33,196.26
Total AGS	**97,362,857.16**	**58,045,107.57**	**39,317,749.59**	**6,401,472.05**	**32,916,277.54**
Overall Total	**2,125,219,949.61**	**1,303,227,162.37**	**821,992,787.24**	**155,108,550.99**	**666,884,236.25**

This setoff was paid in full (approximately 667 million euros, including 33 million euros for AGS) at the end of October 2022. This method of settling all receivables in a single payment is consistent with the entry into force of the reform, allowing the old arrangement to be definitively settled before the end of the 2022 financial year.

The amendment also contains a clause concerning receivables for which payment has been postponed under the measures accompanying the health crisis, which represent a net book value at 31 December 2021 of 480 million euros. Unédic and Urssaf Caisse nationale have agreed to draw up, at 31 December 2024, a balance sheet of the receipts actually recorded and that, in the event of a discrepancy of more than 7 points in absolute value between the collection rate actually observed on these receivables at the end of 2024 and the rate used for the valuation of provisioning at 31 December 2021 (i.e. a threshold in the amount of approximately 50 million euros overall), a review of the offset amounts will be carried out.

In the event that the review clause is activated, adjustment of the setoff would be determined by applying to the aforementioned amount of the receivables recorded as on 31 December 2021, the recovery rate actually observed in fine, by difference with the amount initially set off. This review will be translated into the accounts on 31 December 2024 and financially settled in the 1st quarter of 2025.

2.4.2.2 – Due from other affiliates

A provision is recognised at year-end in respect of affiliate receivables (with the exception of the specific case of Urssaf Caisse nationale) that are judged to be doubtful. This provision is calculated according to the age of the receivables and forecasts of the companies' ability to pay in light of their characteristics. The rate of impairment is communicated by the operators.

2.4.2.3 – Contributions outstanding

Contributions accrued in respect of the year are determined according to the income recognised in January and February of year N+1 and relating to prior and earlier financial years.

2.4.3 – PAYABLES TO AFFILIATES

Funds paid by affiliates and collected by the various operators on behalf of Unédic which could not be attributed to an identified receivable are recorded under liabilities on the balance sheet.

2.4.4 – RECEIVABLES FROM URSSAF CAISSE NATIONALE

Following the transition to the repayment of sums due and the aforementioned offsetting of receivables prior to 1 January 2022, the remaining receivables due to Urssaf Caisse nationale at the end of the financial year relate exclusively to income receivable.

These receivables, determined by the operator, relate to unemployment insurance contributions, the GSC on income from employment and the general reduction.

2.5 – OTHER ITEMS

2.5.1 – NON-CURRENT ASSETS

Intangible assets and property, plant and equipment are accounted for in accordance with the provisions of CRC Regulation No 2002-10 relating to the depreciation, amortisation and impairment of assets and CRC Regulation No 2004-06 relating to the definition, accounting and measurement of assets.

Assets are amortised or depreciated on a straight-line basis over the following periods:

Software	5 years
Buildings and structures	10-40 years
Fixtures and fittings	10-20 years
Computer installations and equipment	3-6 years
Office furniture	10 years
Office equipment	5 years
Other	4-10 years

2.5.2 – EMPLOYEE-RELATED COMMITMENTS

Under the Unédic company agreement, Unédic is bound to pay retirement benefits calculated as monthly salary by number of years' service.

In addition, ex gratia payments are made in respect of long-service awards.

Commitments are calculated based on the following elements:
- provisions of the company agreement: use of individual data: age, sex, salary and length of service;
- determination of internal actuarial assumptions: staff turnover rate (0-3% depending on the employee's age), retirement age and terms (60 to 65 years depending on the year of birth with departure at the employee's initiative, 3% wage increase rate including inflation);
- application of a discount rate to the commitment, corresponding to the iBoxx Corporate Bonds AA 10+ index rounded to quartile, i.e. 3.75%, compared to 1% for the 2021 financial year.

Using this data, commitment amounts are calculated individually for each employee present, it being understood that for the long-service awards, the commitment must be calculated for the ex gratia payments that are liable to be paid for the entire work period, i.e. a maximum of 4 bonus levels.

The amounts thus obtained are recognised in provisions for contingencies and expenses, and changes in these provisions are recognised in profit or loss, including the effects of changes in assumptions.

2.5.3 – NET EXCEPTIONAL INCOME

Net exceptional income comprises:
- technical management operations which do not arise from ordinary activities and relate to the beneficiaries or collection domains;
- items relating to administrative management, i.e., the items provided in the general chart of accounts, including capital gains or losses on disposals of intangible assets and property, plant and equipment.

The aforementioned notwithstanding, capital gains and losses on disposals of non-current financial assets are recorded as financial transactions.

2.6 – FINANCIAL RELATIONS WITH THIRD PARTIES

2.6.1 – MANAGEMENT ON BEHALF OF AGS

By agreement dated 18 December 1993 and its amendments, AGS entrusted Unédic with managing the collection of its contributions and setting up a national delegation and six regional delegations to manage the wage guarantee scheme. As part of the reform of the organisation of the public employment service, Unédic transferred the collection of unemployment insurance contributions and AGS contributions to Acoss on 1 January 2011. However, the accounts were kept in a third-party account by Unédic in the light of the results communicated. In the framework of this transfer, AGS is a stakeholder in the agreement between Unédic, Pôle Emploi, Acoss, and AGS dated 17 December 2010.

AGS terminated the above-mentioned 18 December 1993 management agreement on 27 June 2019 effective 31 December 2019 in order to commence negotiations seeking to clarify AGS's and Unédic's respective roles and responsibilities. Because this negotiation was started but not completed during previous financial years, the parties mutually agreed to extend the agreement by means of three extension amendments (concluded on 19 December 2019, 18 June 2020, 18 December 2020, 23 June 2021, 16 September 2021 and 22 October 2021).

In 2022, the boards of directors of Unédic and AGS gave the services a mandate to draw up a new management agreement pursuant to Article L. 3253-14 of the French Labour Code, which is expected to enter into force on 1 July 2023.

Therefore, by decision of the Unédic Board of Directors dated 30 June 2022, the transfer of all staff and activities of the Unédic-AGS delegation to AGS is scheduled from a date to be set in the new agreement.

During the 2022 accounting year, the 18 December 1993 agreement and its various amendments continued to apply without change, with each party performing its obligations.

2.6.2 – BENEFICIARIES' CONTRIBUTION TO THE FUNDING OF SUPPLEMENTARY PENSIONS

Pôle Emploi's regional departments withhold and record beneficiaries' contributions to the funding of supplementary pensions. This withholding, which is subsequently taken over by Unédic, is deducted from the expense linked to the validation of pension credits. The credits are counted in accordance with the agreements signed with AGIRC-ARRCO, IRCANTEC, CNBF (French lawyer pension fund) and CRPN (flight crew pension fund).

2.6.3 – BENEFICIARY AT-SOURCE WITHHOLDING

Since 1 January 2019, each month, Pôle Emploi has withheld income tax from beneficiaries. This withholding is then paid to the DGFIP the following month. This results in a tax liability at the end of the financial year.

2.6.4 – COMMUNITY COORDINATION OF UNEMPLOYMENT INSURANCE SCHEMES

European regulation 883/2004 sets out the rules and procedures for reimbursing unemployment benefits paid to a resident in France who is paid benefits in respect of a job worked in another country of the European Community.

The expenses of reimbursing benefits owed to the applicant country and the income from reimbursements receivable are recognised upon receipt of the benefit reimbursement request from the other State or upon the dispatch of the benefit reimbursement request to the other State.

2.6.5 – MANAGEMENT AGREEMENTS

In accordance with Article L. 5424-2 of the Labour Code, Unédic has signed management agreements with companies and public institutions that are not affiliated to the unemployment insurance scheme. These agreements provide that employees falling within the scope of these agreements are paid benefits by Pôle Emploi, and the signatory organisations pay a lump sum to Unédic.

Management agreements signed with Unédic before 19 December 2008 were terminated no later than 2017. The public employers in question were able to sign new management agreements directly with Pôle Emploi. Pôle Emploi is responsible for the administrative and financial management of the benefits paid to former employees of public employers who so wish under the new management agreements entered into since 19 December 2008 (the date Pôle Emploi was created).

Since then, the residual financial flows for Unédic relating to these management agreements have been of little significance.

3. EVENTS OCCURRING AFTER THE REPORTING DATE

The following events, occurring after the year ended 31 December 2022 are to be reported:

3.1 – INCREASE IN UNEMPLOYMENT BENEFITS

At its extraordinary meeting of 24 March 2023, Unédic's Board of Directors decided to increase unemployment insurance benefits (including for Mayotte) by 1.9% as from 1 April 2023:
- the amount of the fixed part of the return-to-work allowance (ARE);
- the minimum ARE amount;
- the floor of ARE Training;
- the floor of paragraph 2 of section 1 of Article 17a of the Unemployment Insurance Regulation relating to the application of the sliding scale coefficient;
- the floor of paragraph 3 of section 1 of Article 17a of the Unemployment Insurance Regulation relating to the application of the sliding scale coefficient.

Reference salaries were also increased by the same rate. The increase applies to beneficiaries whose reference salary is composed entirely of the previous remuneration of at least six months, i.e. before 1 October 2022.

These unprecedented decisions are the result of an initiative by the social partners and the Board of Directors of Unédic to respond to the exceptional level of inflation. They were taken within the framework of Decree No. 2023-228 of 30 March 2023 on the procedures for revaluing unemployment insurance benefits.

3.2 – MEASURES RESULTING FROM THE DECREE OF 26 JANUARY 2023

In line with the law of 21 December 2022, Decree No. 2023-33 of 26 January 2023 modifies the unemployment insurance legislation by introducing a modulation of the benefit period for job seekers according to the state of the labour market, resulting for beneficiaries whose employment contract ends on or after 1 February 2023:
- a reduction in the benefit period by assigning a coefficient of 0.75 to the benefit period. A minimum benefit period is set at 6 months; and
- a potential "additional" benefit period paid in the form of an end of entitlements supplement (CFD), consisting in extending the benefit period of beneficiaries arriving at the end of their entitlement in the event of unfavourable economic conditions (i.e. if the unemployment rate according to the ILO reaches or exceeds 9%, or if it increases by 0.8 points over a quarter). Such extension may never exceed the maximum term applicable prior to the reform.

The decree also introduces the following measures:
→ an end-of-training supplement (SBB), in the event that qualifying training lasting at least 6 months and which is registered in the PPAE (personalised project for access to employment) has not been completed by the date entitlement comes to an end. This constitutes an extension of the benefit period until the training is complete. Such extension may never exceed the maximum duration applicable prior to the reform;
→ the revaluation of the ARCE rate (allowance for the takeover and creation of a business) to the tune of 60% (versus 45%) of the remaining capital of rights, for beneficiaries whose employment contract ends on or after 1 July 2023. So as not to compromise the principles of calculation of the rights capital of the ARCE due to the reduction of the benefit period.

Excluded from this reform are certain employees who are covered by other legislation (intermittent workers and beneficiaries of the CSP in particular), as well as residents of an overseas department or local authorities.

3.3 – CAREER SAFEGUARDING CONTRACT

As the CSP agreement expires on 31 December 2022, in application of amendment No 5 of 28 June 2021 (No 2 for Mayotte) (see "Legal and regulatory measures"), the social partners have concluded amendment No 6 (No3 for Mayotte) dated 24 November 2022, applicable to economic dismissal procedures initiated from 1 January 2023 and making it possible to ensure the continuity of the scheme until 31 March 2023 at the latest.

The CSP agreement was then extended by amendment No.7 (No.4 for Mayotte) concluded on 15 March 2023 and applicable, subject to exceptions, to the economic dismissal procedures initiated from 1 February 2023, in line with the date of entry into force of Decree No. 2023-33 of 26 January 2023 relating to the unemployment insurance scheme which introduces a modulation of the duration of payment of the return-to-work allowance (ARE) according to the evolution of the unemployment rate.

Therefore, more specifically, Amendment No 7 of 15 March 2023 to the Agreement of 26 January 2015 on the career safeguarding contract:
→ extends the agreement until 31 December 2023;
→ takes into account developments in the Unemployment Insurance rules resulting from the Decree of 26/01/2023: it excludes the application of the 0.75 coefficient for the calculation of the benefit period for beneficiaries with less than 1 year's seniority;
→ adds certain regulatory changes intended to secure the implementation of the system by Pôle Emploi: these provisions concern the IDR (following referral to the Ombudsman (DDD)) and the management of activities carried on or resumed just before joining the CSP.

Amendment No. 4 of 15 March 2023 to the Agreement of 17 July 2018 relating to the implementation of the career safeguarding contract in Mayotte:
→ extends the agreement until 31 December 2023;
→ adapts the methods for calculating the IDR, similar to the changes made to the CSP Métropole agreement.

3.4 – FURLOUGHING SCHEME

Since 1 January 2023, the possibility of recourse to the furloughing scheme has been maintained for private-law employees of public sector employers who carry on an industrial and commercial activity and who have joined the Unemployment Insurance scheme, as well as for employees of companies not having an establishment in France, since these are subject, for the latter, to contributions and social contributions of legal or conventional origin and to the obligation of insurance against the risk of job deprivation under French legislation (law No. 2022-1726 of 30 December 2022 on finances for 2023).

3.5 – BOND ISSUANCES

On 30 June 2022, Unédic's Board of Directors decided to authorise the issue of up to one billion euros of new bonds for 2023 on the basis of the financial forecasts known to date. Following Unédic's request to the State services, the latter decided to grant Unédic an explicit guarantee of one billion euros for the year 2023 (Law No. 2022-1726 of 30 December 2022 on finance for 2023 - Article 50). On 15 February 2023, an order of the Minister of Economy, Finance and Industrial and Digital Sovereignty was published in the Official Journal to grant the State guarantee in respect of Unédic's bond issues in the amount of one billion euros.

In this context, on 17 February 2023, the Board of Directors decided to authorise, for the year 2023, up to one billion euros of new bond issues and up to one billion euros of purchase of securities issued by Unédic within the framework of its medium-term (NEU MTN) and long-term (EMTN) debt issuance programmes, with a view to managing assets and liabilities and restructuring its debt. The Board of Directors also:

ONFIRMED THE CHARACTERISTICS OF THE FUNDING PROGRAMMES:
- NEU EMTN, in a maximum amount of 60 billion;
- NEU MTN, in a maximum amount of 10 billion euros;
- NEU CP, in the maximum amount of 18 billion euros.

ADJUSTED THE CHARACTERISTICS OF THE LIQUIDITY BUFFER:
- a minimum outstanding amount of 2.5 billion euros, adjusted daily according to the projected disbursements;
- invested by applying specific prudential rules.

These legislative provisions, as well as the decisions taken by the Board of Directors, have therefore enabled Unédic to implement its 2023 funding programme. Indeed, an issue of one billion euros maturing in 10 years' time (25 April 2033) took place on 26 April at a rate of 3.156%.

Where Unédic's funding needs for 2023 prove to be greater than those forecast in finance law, the NEU CP and NEU MTN programmes will be able to provide part of the cash requirements. Should the situation worsen, emergency provisions in amending finance laws would be requested.

4. BALANCE SHEET ANALYSIS

4.1 – ANALYSIS OF BALANCE SHEET ASSETS

4.1.1 – NON-CURRENT ASSETS

4.1.1.1 – Property, plant and equipment and intangible assets
Twenty-four real estate sites were sold during the financial year.

The transactions recognised concerning non-current assets and amortisation/depreciation over the 2022 financial year are set out below:

Changes in gross property, plant and equipment and intangible assets in 2022

EUR millions	Gross value at the beginning of the year (1)	Acquisitions and creations (2)	Sales or decommissioning (3)	Transfers (4)	Gross value at the end of the year (5)=(1)+(2)-(3)+(4)
Total intangible assets (A)	**3.1**	**1.1**	**1.1**	**0.0**	**3.1**
Total non-current assets (B)	**101.3**	**0.8**	**32.4**	**0.0**	**69.7**
Real Estate: land, buildings and fixtures	96.1	0.4	30.9	0.1	65.7
Other property, plant and equipment	4.9	0.4	1.3	0.0	4.0
PP&E in progress	0.2	0.0	0.1	-0.1	0.0
TOTAL (A+B)	**104.4**	**1.9**	**33.5**	**0.0**	**72.8**

Change in amortisation, depreciation and impairment of non-current assets in 2022

EUR millions	Amortisation at the beginning of the year (1)	Increase Allowance (2)	Decreases, disposals and decommissioning (3)	Transfers (4)	Gross value at the end of the year (5)=(1)+(2)-(3)+(4)
Total intangible assets (A)	**2.1**	**0.3**	**1.1**	**0.0**	**1.3**
Total non-current assets (B)	**78.6**	**2.0**	**27.2**	**0.0**	**53.4**
Property: buildings and fixtures	75.1	1.6	25.8	0.0	50.9
Other property, plant and equipment	3.5	0.4	1.3	0.0	2.6
TOTAL (A+B)	**80.7**	**2.3**	**28.3**	**0.0**	**54.7**

In addition, a provision for impairment of buildings and facilities amounting to 0.3 million euros was recognised in connection with the proposed sale of certain sites for which a purchase proposal in lieu of an estimate of the sale price was lower than the net carrying amount.

4.1.1.2 – Long-term notes and investments
This item, amounting to 15.5 million euros, includes loans for their original amount in the framework of construction aid (15.38 million euros) and deposits and guarantees paid (0.2 million euros).

4.1.2 – CURRENT ASSETS

4.1.2.1 – Receivables

a) Beneficiaries receivables - Overpayments to beneficiaries
The gross value of the item "Beneficiaries receivables" increased by 10.32% compared to the previous year: 1,896.8 million euros, compared with 1,719.3 million euros.
This change is explained primarily by overpayments to beneficiaries that are repayable to the Unemployment Insurance scheme.

Transactions concerning Unemployment Insurance overpayments are shown in the table below:

EUR millions	2022	2021	2022/2021 change
Overpayment-advances-prepayments at beginning of FY (A)	**1,662.3**	**1,665.1**	**-0.17%**
TOTAL detected unemployment insurance overpayments (B)	1,176.0	1,142.0	2.98%
Reimbursed and recovered (C)	804.9	836.3	-3.75%
Write-offs and losses on overpayments (D)	190.4	308.8	-38.34%
Advances and prepayments paid (E)	5.3	5.7	-7.02%
Advances and prepayments recovered (F)	5.3	5.4	-1.85%
Beneficiaries receivables at the end of the FY (including advances-prepayments) (G) = (A)+(B)-(C)-(D)+(E)-(F)	**1,843.0**	**1,662.3**	**10.87%**
Provision made for disputed receivables (H)	-1,413.9	-1,240.4	13.99%
Provision rate (H) / (G)	76.72%	74.62%	2.81%
Net carrying value (I) = (G)-(H)	**429.1**	**421.9**	**1.71%**

The risk of not recovering overpayments is covered by a provision equal to 76.72% of the receivable, a 2.81% increase compared to the 2021 financial year.

b) Beneficiaries receivables - Advance payments

Transactions concerning Unemployment Insurance advance payments are shown in the table below:

EUR millions	2022	2021	2022/2021 change
Overpayment-advances-prepayments at beginning of FY (A)	**56.9**	**60.1**	**-5.32%**
TOTAL detected unemployment insurance overpayments (B)	223.9	258.5	-13.39%
Reimbursed and recovered (C)	227.1	261.7	-13.22%
Write-offs and losses on overpayments (D)	0.0	0.0	
Advances and prepayments paid (E)	0.0	0.0	
Advances and prepayments recovered (F)	0.0	0.0	
Beneficiaries receivables at the end of the FY (including advances-prepayments) (G) = (A)+(B)-(C)-(D)+(E)-(F)	**53.7**	**56.9**	**-5.62%**
Provision made for disputed receivables (H)	-29.9	-29.8	0.34%
Provision rate (H)/(G)	55.68%	52.28%	6.31%
Net carrying value (I) = (G)-(H)	**23.8**	**27.2**	**-12.50%**

The risk of not collecting advance benefit overpayments is covered by a provision equal to 55.68% of the receivable, a 6.31% increase compared to the 2021 financial year.

c) Affiliates and other funders

Gross contributions and other funding remaining to be collected at 31 December 2022 amounted to 5,028.7 million euros, of which 4,930.5 million euros related to the Unemployment Insurance scheme. This amount is broken down as follows:

Main contributions	2,733.4 million euros, i.e. 55.44% of the total
Other funding (GSC)	1,589.5 million euros, i.e. 32.24% of the total
Special contributions	546.8 million euros, i.e. 11.09% of the total
Miscellaneous income	60.8 million euros, i.e. 1.23% of the total

These affiliates' and other funders' receivables also break down into undisputed contribution receivables for which recovery procedures were carried out in January or February 2023, amount to 4,409.6 million euros (of which 92.6 million euros in respect of AGS) and disputed contribution receivables in the amount of 619.1 million euros (of which 5.5 million euros in respect of AGS).

Under the delegated-management agreement between AGS and Unédic Association, affiliate debt receivables from AGS are recognised in a counterpart entry in the AGS current account on the liabilities side of the balance sheet.

After analysis of the stage reached in the recovery procedure or the business's characteristics, disputed receivables were the subject of a provision made for the risk of non-recovery amounting to 490.2 million euros (of which 3.8 million euros in respect of AGS) taking net contributions and other funding to be collected, at 31 December 2022, to 4,538.5 million euros. This provision for impairment of receivables is significantly reduced (1,803.3 million euros at the end of 2021) following the transition to the repayment of amounts due (see 2.4.1 Income) and the offsetting of receivables prior to 1 January 2022 by Urssaf Caisse nationale.

Aside from the specific case of Urssaf Caisse nationale referred to above, the provision is calculated by each of the collecting agencies responsible for recovering unemployment insurance contributions, according to the results of recovering disputed receivables over previous years. Impairments of receivables at the end of the financial year mainly concern Pôle Emploi and the CCMSA whose receivables are respectively provisioned for 431 and 54 million euros.

d) State

The contractual arrangement relating to targeted exemptions provides for invoicing of actual amounts to the relevant ministries (Ministry of Overseas Departments, Ministry of Agriculture and Food Sovereignty, Ministry of Labour, Full Employment and Integration and the Ministry for Ecological Transition).

At year end, a balance results indicating either a receivable or payable between invoicing and instalments paid during the year.

On 31 December 2022, the State remained liable to Unédic for 9.2 million euros distributed over the following exemption schemes:

Lodeom Exemption (Overseas)	3.7 million euros
TO-DE Exemption (Agriculture)	1.0 million euros
Apprentice Exemption (Labour)	3.8 million euros
Shipowners Exemption (Ecology)	0.7 million euros

4.1.2.2 – Other receivables

This item, which amounts to 373 million euros (net of impairment provisions), mainly includes:

- accrued income of 209.4 million euros, net of impairment provisions for long-standing receivables (45.8 million euros), in connection with the repayment by EU Member States to France of benefits paid to French cross-border workers;
- a receivable of 86.7 million euros against the services and payment agency;
- a receivable amounting to 0.3 million euros against institutions with management agreements;
- receivables for 20.2 million euros, relating to current recovery transactions, from the operator CCSS de Monaco (11.5 million euros), the CPS de Saint-Pierre-et-Miquelon (0.4 million euros) and the CCMSA (8.3 million euros);
- a receivable against Acoss (Urssaf Caisse nationale) of 47.91 million euros on the mechanism for the repayment of sums due (including 2.8 on the repayment of sums due from Mayotte);
- a receivable on sale of fixed assets of 1.5 million euros (sale of the Manosque site).

4.1.2.3 – Marketable securities

This item, which amounted to 2,035 million euros, corresponds to monetary-market funds dedicated to NEU CP issues in the event of market failure.

Marketable securities inventory at 01/01/2022	Acquisitions in 2022	Disposals in 2022	Marketable securities inventory at 31/12/2022
€3,139 million	€79,885 million	€80,989 million	€2,035 million

4.1.2.4 – Bank balances

This item, which amounts to 1 667 million euros, mainly corresponds to interest-bearing deposits.

4.1.3 – DEFERRED EXPENSES

This item, which amounts to 58.1 million euros, concerns the issue costs of bond and MTN NEU issues, which are apportioned on a straight-line basis over the term of the borrowings.

(amounts in millions of euros)

Year of release	Deferred commissions and expenses (a)	Prior amortisation (b)	2022 amortisation (c)	Fully amortised commissions on borrowings maturing in 2022 (d)	Accumulated amortisation at 31/12/2022 (e)=(b)+(c)-(d)	Borrowings commission balance at 31/12/2022 (f)=(a)-(d)-(e)
2013	2.6	2.3	**0.3**	0.0	2.6	0.1
2014	7.5	6.1	**0.8**	2.3	4.6	0.7
2015	8.1	5.2	**0.8**	0.4	5.6	2.1
2016	8.2	5.4	**0.9**	0.8	5.5	1.9
2017	11.4	5.1	**1.0**	0.9	5.2	5.3
2018	4.2	1.2	**0.4**	0.0	1.6	2.6
2019	4.9	1.3	**0.5**	0.2	1.5	3.1
2020	32.2	5.0	**3.5**	0.0	8.5	23.7
2021	20.0	1.1	**1.9**	0.0	3.0	17.0
2022	**1.8**	**0.0**	**0.1**	**0.0**	**0.1**	**1.6**
Total deferred expenses	**100.8**	**32.7**	**9.9**	**4.5**	**38.2**	**58.1**

4.1.4 – BOND REDEMPTION

The bonds and NEU MTNs issued by Unédic include an issue premium, which corresponds to the difference between the nominal value of the bonds and their issue value. These premiums are amortised over the term of the borrowings.

(amounts in millions of euros)

Year of release	Issue premium amount (a)	Prior amortisation (b)	2022 amortisation (c)	Fully amortised issue premiums on borrowings maturing in 2022 (d)	Accumulated amortisation at 31/12/2022 (e)=(b)+(c)-(d)	Issue premium balance at 31/12/2022 (f)=(a)-(d)-(e)
2013	1.5	1.3	**0.1**	0.0	1.4	0.0
2014	17.6	15.2	**1.8**	13.4	3.6	0.6
2015	48.1	30.8	**4.6**	0.7	34.6	12.7
2016	33.2	21.5	**3.7**	0.0	25.2	8.0
2017	27.3	12.6	**2.7**	1.0	14.3	12.0
2018	12.2	3.3	**1.0**	0.0	4.3	7.9
2019	15.2	4.2	**1.5**	0.0	5.8	9.5
2020	26.1	3.4	**2.2**	0.0	5.6	20.4
2021	41.8	2.4	**3.5**	0.0	5.9	35.9
2022	**7.9**	**0.0**	**0.5**	**0.0**	**0.5**	**7.5**
Total issue premium	**230.9**	**94.7**	**21.7**	**15.1**	**101.3**	**114.4**

4.1.5 – ACCRUAL ACCOUNTS

Prepayments amounted to 24.06 million euros on administrative management.

4.2 – ANALYSIS OF BALANCE SHEET LIABILITIES

4.2.1 – NET EQUITY

The net position at the end of the 2022 financial year was negative at 59,755.2 million euros change over the year can be broken down as follows:

Net position at 31 December 2021	-63,185.0 million euros
Net gain for the 2022 financial year	+3,429.8 million euros
Net position at 31 December 2022	-59,755.2 million euros

4.2.2 – PROVISIONS FOR CONTINGENCIES AND LOSSES

This item, totalling 108 million euros, mainly includes the following provisions:
- the provision for litigation by Urssaf Caisse nationale affiliates, in the amount of 84.5 million euros;
- a provision for litigation contingencies relating to beneficiaries and recovery matters reported by Pôle emploi's regional departments, in the amount of 7.8 million euros;
- provisions for employee-related commitments;
- a provision for retirement indemnities (IDR), in the amount of 11 million euros;
- a provision for long-service bonuses, in the amount of 1.8 million euros;
- a provision for administrative management-related contingencies and expenses, in the amount of 2 million euros;
- a provision for employee-related contingencies and expenses, in the amount of 0.8 million euros.

Changes in provisions for contingencies and expenses during the 2022 financial year are shown in the table below:

In millions of euros	Opening balance	Provision	Write back (provision used)	Write back (provision not used)	Closing balance
Acoss/Urssaf Caisse nationale & Pôle Emploi	99.3	3.3	10.3		92.3
Personnel costs	1.0		0.2		0.8
Other GA expenses	0	2	0		2
Retirement indemnities	14.1		3.0		11
Long-service bonuses	2.2		0.4		1.8
TOTAL	**116.6**	**5.3**	**14.0**		**108**

4.2.3 – FINANCIAL BORROWINGS AND DEBTS

The change in finance during the 2022 financial year is shown in the table below:

Funding (EUR millions)	Opening balance	Of which 2021 accrued interest	2022 additional finance	2022 finance repayment	Closing balance	Of which 2022 accrued interest
Bonds (EMTN)	52,961	211	1,000	2,250	**51,709**	209
Negotiable European short term Commercial Paper (NEU CP)	7,877	-	58,186	58,408	**7,655**	-
Negotiable medium-term notes (BMTN)	-	-	-	-	**-**	-
Negotiable European medium-term notes (NEU MTN)	7,102	1	-	1,850	**5,251**	1
Short-term bank facilities	-	-	3	-	**3**	-
TOTAL	**67,939**	**212**	**59,189**	**62,508**	**64,618**	**210**

4.2.3.1 – Bond issues

Bond debt in respect of the EMTN programme amounted to 51,500 million euros at the end of the 2022 financial year.

Issues	Amount in EUR millions	Issue date	Maturity	Coupon rate
8.1	**1,500**	05/04/2013	05/04/2023	2.250%
8.2	**500**	22/05/2014		
11.1	**2,500**	20/02/2014	25/05/2024	2.375%
11.2	**350**	01/12/2021		
14.1	**3,000**	17/02/2015	17/02/2025	0.625%
15.1	**1,250**	21/10/2015	21/10/2027	1.250%
15.2	**750**	04/05/2016		
17.1	**2,000**	03/03/2016	03/03/2026	0.625%
17.2	**250**	20/06/2017		
18.1	**1,750**	31/03/2016	24/11/2023	0.250%
19.1	**2,000**	28/03/2017	28/03/2027	1.250%
19.2	**250**	31/08/2017		
19.3	**1,000**	20/10/2021		
20.1	**1,750**	20/04/2017	20/04/2032	1.500%
20.2	**750**	30/08/2017		
21.0	**1,000**	30/05/2018	25/05/2033	1.250%
21.1	**1,000**	29/05/2019		
22.1	**1,250**	01/10/2018	25/05/2028	0.875%
22.2	**750**	31/03/2020		
23.0	**1,500**	20/03/2019	20/03/2029	0.500%
23.2	**1,000**	21/10/2021		
24.1	**1,250**	05/03/2020	05/03/2030	0.000%
24.2	**150**	01/12/2021		
25.1	**4,000**	17/06/2020	25/11/2029	0.250%
26.1	**2,000**	16/07/2020	16/07/2035	0.250%
26.2	**1,500**	04/11/2020		
27.1	**3,000**	15/10/2020	25/11/2028	0.000%
28.1	**2,500**	19/11/2020	19/11/2030	0.000%
29.1	**3,000**	16/02/2021	25/05/2034	0.100%
30.1	**3,000**	01/04/2021	25/05/2031	0.010%
31.1	**2,000**	23/06/2021	25/05/2036	0.500
32.1	**2,000**	27/07/2021	25/11/2031	0.010%
33.1	**1,000**	17/05/2022	25/11/2032	1.750%
Total	**51,500**			

Added to this is an amount of 209 million euros, which corresponds to accrued coupon interest at the end of the financial year.

4.2.3.2 – Loans from credit institutions and miscellaneous finance

The total amount of this item amounts to 7,655 million euros and corresponds to the amount outstanding on the short-term debt NEU CP (formerly "billets de trésorerie") programme issued by Unédic.

Transactions relating to NEU CP in 2022 are shown in the table below:

Inventory at 01/01/2022	2022 issues	2022 repayments	Inventory at 31/12/2022
€7,877 million	€58,186 million	€58,408 million	€7,655 million

The maturities of these NEU CP are as follows:

	In Q1 2023	In Q2 2023	In Q3 2023	In Q4 2023	Total
Maturity of NEU CP	€5,955 million	€400 million	€1,000 million	€300 million	**€7,655 million**

4.2.3.3 – Loans from credit institutions and miscellaneous finance

At the end of 2022, Unédic had no outstanding negotiable medium-term notes (BMTN).

4.2.3.4 – NEU MTN (formerly BMTN)

At the end of 2022, Unédic had 5,250 million euros in outstanding NEU MTN.

Issues	Amount	Issue date	Maturity	Coupon rate
4	**€1,250 million**	28/11/2017	25/11/2024	0.125%
7	**€4,000 million**	25/05/2020	25/11/2026	0.100%
Total	**€5,250 million**			

At year-end, accrued interest amounted to 0.5 million euros.

In summary

Maturities of bonds and NEU MTN	Maturity ≤ 1 year	Maturity > 1 year and ≤ 5 years	Maturity > 5 years
€56,750 million	€3,750 million	€23,600 million	€29,400 million

4.2.3.5 – Short-term bank facilities

At the closing of the 2022 accounts, Unédic recorded a bank overdraft amounting to 2.8 million euros on one of the accounts at Crédit du Nord.

4.2.4 – OTHER PAYABLES

4.2.4.1 – Affiliate payables

This item, amounting to 271.6 million euros, corresponds to sums received from employers that could not be allocated to receivables at the end of the financial year.

4.2.4.2 – Benefit recipient payables and other accounts payable

This item, totalling 2,809.6 million euros, mainly corresponds to benefits payable:

- for the month of December 2022 and paid in January 2023, i.e. 2 843 million euros, and 18.1 million euros for redeployment benefits payable to beneficiaries;
- in respect of 2022 and paid in February and March 2023, in the amount of 61 million euros; less
- pension withholdings, in the amount of 119.5 million euros.

4.2.4.3 – Taxes and social security payables

This item amounted to 129.4 million euros and mainly comprises:

- provisions for paid leave, holiday bonuses and 13th month bonuses, in the amount of 3.2 million euros;
- beneficiaries withholdings payable, i.e. 50.3 million euros, corresponding to benefits paid in December 2022;
- outstanding beneficiaries income tax withholdings, i.e. 71 million euros, pertaining to benefits paid in December 2022;
- other tax and social security payables, in the amount of 4.9 million euros.

4.2.4.4 – Trade payables

The amount of 10.1 million euros, representing outstanding invoices payable on 31 December 2022, is divided under two headings:

Suppliers of goods and services	9.863 million euros
Suppliers of non-current assets	0.269 million euros

4.2.4.5 – Other payables

This item comprises payables owed to the State and miscellaneous payables, in total 806,2 million euros.

a) State

The main items under this heading, which total 71.3 million euros, mainly relate to:

Targeted exemptions

The contractual arrangement relating to targeted exemptions provides for invoicing of actual amounts to the relevant ministries (Ministry of Overseas Departments, Ministry of Agriculture and Food Sovereignty, Ministry of Labour, Full Employment and Integration and the Ministry for Ecological Transition).

At year end, a balance results indicating either a receivable or payable between invoicing and instalments paid during the year.

On 31 December 2022, Unédic recorded a debt to the State of 3 million euros by means of the Home Help exemption (Ministry of Labour).

Public health crisis exemption

At year-end 2020, Unédic owed the State, represented by the Department of Social Security, 57.8 million euros in respect of the funding of the compensation of specific exemptions from social security contributions of companies, the self-employed and author artists affected by the health crisis (agreement of 23/10/2020, which entered into force on 01/08/2020).

Cross-Border benefit expenditure (EESSI)

On 31 December 2022, Unédic owed Member States 8 million euros in respect of invoices received and not yet paid.

The financial contribution to the deferral

The balance owed by Unédic to the State at 31/12/2022 of 1 million euros in respect of its financial contribution to the deferral (Annexes VIII and X).

Corporation tax

The amount of corporate tax for 2022 amounted to 1.5 million euros compared to 0.3 million euros in 2021 mainly on income from capital (rents and interest on ordinary passbooks). The increase comes in particular from a better remuneration of the investment vehicles of the liquidity buffer over the last months of 2022.

b) Other payables

The main items under this heading, which total 734.8 million euros, mainly relate to:

→ Expenses payable on 31 December 2022 to the various pension funds in respect of the validation of beneficiaries' supplemental pension credits:

- 360.2 million euros due as Agirc-Arrco contributions, broken down as follows:
  - 340.3 million euros, pertaining to the outstanding contributions by Unédic in respect of the year 2022 (of which 58.5 million euros in respect of the 2022 semi-final situation),
  - 19.9 million euros due as settlement of the 2021 final situation;
- 18.7 million euros due to other supplementary pension institutions (including 14.4 million euros of provisions for CRPN contributions).

→ Pending accounts with Pôle Emploi for a cumulative total (debts/receivables) of 102.9 million euros. It should be noted that, on 31 December 2022, the account relating to the financing of Pôle Emploi by the 11% contribution, paid by Unédic, has a balance due from Unédic of 165.8 million euros, compared with 1,184.8 million euros at 31 December 2021.

→ The debt payable to AGS in respect of affiliate receivables arising from the collection agency collections, in the gross amount of 99 million euros (less a provision of 3.8 million euros).

→ A debt to Acoss (Urssaf Caisse nationale) of 130.5 million euros relating to the current operations of the CSG Activité (48.4 million euros) and Réduction Générale (82.1 million euros) schemes.

→ An expense payable in respect of the furloughing scheme, in the amount of 21 million euros.

→ A charge to be paid in respect of expenditure on allowances due to Member States for cross-border jobseekers in the amount of 3.7 million euros.

4.2.5 – ACCRUAL ACCOUNTS

Deferred income, i.e. 307.9 million euros, relates to:

→ The difference between the contractual interest rate and the value of coupons on bonds and NEU MTN for a balance of 307.7 million euros. These are amortised over the life of the borrowing.

(amounts in millions of euros)

Year of release	Financial income Amount (a)	Prior amortisation (b)	2022 amortisation (c)	Reversal of loans repaid in 2022 (d)	Accumulated amortisation at 31/12/2022 (e)=(b)+(c)-(d)	Deferred income balance at 31/12/2022 (f)=(a)-(d)-(e)
2013	0.0	0.0	**0.0**		0.0	0.0
2014	24.6	20.8	**2.7**		23.6	1.1
2015	4.4	3.9	**0.5**	4.4	0.0	0.0
2016	47.0	33.4	**3.5**	21.7	15.3	10.0
2017	36.9	13.0	**3.0**		16.0	21.0
2018	0.0	0.0	**0.0**		0.0	0.0
2019	69.7	17.6	**6.5**	8.4	15.7	45.5
2020	172.6	23.8	**17.7**		41.5	131.1
2021	131.6	4.4	**28.1**		32.5	99.0
2022	**0.0**	**0.0**	**0.0**		**0.0**	**0.0**
Total deferred income	**486.7**	**116.9**	**62.2**	**34.5**	**144.6**	**307.7**

→ An amount of 0.2 million euros relating to the negative interest of NEU CP (commercial papers) deferred at year end.

5. ANALYSIS OF INCOME STATEMENT

5.1 – TECHNICAL MANAGEMENT

Technical management income, on 31 December 2022, showed a gain of 3,753 million euros versus a loss of 6,507 million at 31 December 2021.

This change, to the tune of 10.26 billion euros, is mainly due to:
- an increase in contributions of 3 billion euros;
- reversals on impairments of affiliated litigious receivables for 1 billion euros following the implementation of the repayment of sums due and the offsetting of receivables prior to 1 January 2022 by Urssaf Caisse nationale;
- a decrease in the weight of benefits paid and related pension credits of 4.9 billion euros;
- a decrease in the costs of certain technical management expenses of 1.7 billion euros (including furloughing scheme expenses, the 11% financial contribution to the benefit of Pôle Emploi etc.).

5.1.1 – INCOME

5.1.1.1 – Contributions and other funding

Income from contributions and other funding for the 2022 financial year increased by 7.48% compared to 2021:

EUR millions	2022	2021	2022/2021
Main contributions	26,943.61	24,889.95	**8.25%**
Other funding	16,041.89	14,871.96	**7.87%**
Special contributions	362.40	570.81	**- 36.51%**
Total	**43,347.90**	**40,332.72**	**7.48%**

As in 2021, this growth was based on a very favourable development in the payroll of private sector companies declared to the URSSAF (+8.7% on average per year in 2022 after +8.9% in 2021). This was driven by the good performance of employment in the private sector (+2.7%) but especially by the increase in the average wage per employee (+5.8%), supported by the revaluations decided in the context of long-term inflation (5.3% increase in the price index excluding tobacco in 2022).

GDP growth (+2.6% on average over the whole year) also supported the increase in CSG revenues attributed to Unédic.

The change in special contributions is mainly explained by the variation in the financial participation of affiliates in the CSP notice, which increased from 557 million euros in 2021 to 352 million euros in 2022.

5.1.1.2 – Other income

This item, which amounts to 13.11 million euros, mainly comprises income in respect of CSG activité, i.e. 5.8 million euros, and late payment surcharges and penalties in the amount of 3.4 million euros and various other income on affiliates and beneficiaries to the tune of 3.88 million euros.

5.1.1.3 – Net reversal of provisions

The total amount of provision reversals amounted to 1,267.3 million euros at 31 December 2022 compared to 268 million euros at the end of 2021.

This significant change, in 2022, is mainly related to reversals of provisions recorded for 241.63 million euros during the clearing, by Urssaf Caisse nationale, of the inventories of receivables existing at 31 December 2021 on the TREC, TREC Mayotte, EPM, TESE and TTS systems.

EUR millions	2021	2022	2022/2021 change
Provision for RC Acoss/Urssaf national office	6.21	7.74	**1.53**
Provision RC Pôle Emploi	0.32	2.54	**2.22**
Provision for doubtful debts of Affiliates	195.23	1,254.6	**1,059.37**
Of which UCN/Mayotte/EPM/ TESE/TTS	186.73	1,241.6	**1,054.9**
Provision for overpayments	3.6	0.01	**-3.59**
Provision for EESSI receivables	62.71	2.41	**-60.3**
Total	**268.07**	**1,267.3**	**999.23**

5.1.1.4 – Transfers of expenses

This item, which amounted to 251.86 million euros, mainly comprises:
- the repayment of benefits between EU countries, in the amount of 183.29 million euros;
- the repayment, by Pôle Emploi, on the basis of the contractual provisions, of the management fees deducted at source by the operators for 37.7 million euros:
  - Acoss (Urssaf Caisse nationale) on the repayments of sums due (20.72 million euros) as well as on the payments of CSG Activité (15.88 million euros),
  - CCSS Monaco on contribution payments (1.1 million euros);
- Affiliates' repayment of benefits pursuant to article 1235-4 in the amount of 15.92 million euros;
- the estimated repayment by the Service and Payment Agency in respect of the furloughing scheme of public employers paid in 2021, in the amount of 14.46 million euros.

5.1.2 – EXPENSES

Total technical management expenses fell by 13.5% to 41,127 million euros in 2022, compared to 47,545 million in 2021.

This decrease, in 2022, is mainly due to:
- a significant decrease in spending on benefits (4,665.84 million euros) and the cost of validating of pension credits (220.01 million euros): at the end of 2022, the unemployment rate stood at 7.2%, a decrease of almost 0.3 points compared to the level observed at the end of 2021;
- there has been a reduction in spending on the furloughing scheme in the amount of 2,356.25 million euros;
- a decrease of 330.77 million euros in the expenses relating to the 11% financial contribution paid by Unédic to Pôle Emploi (linked to the temporary fall in revenues for the 2020 financial year in connection with emergency measures and the health context);
- a decrease of 118.39 million euros in NVA beneficiaries compared to the year 2021 during which an exceptional clearance operation took place.

On the other hand, there has been a significant increase in expenditure on technical management related to:
→ affiliated debt write-offs for 1,088.07 million euros impacted mainly by the switch to NVA of the receivables of the TREC, TREC Mayotte, EPM, TESE and TTS schemes following the transfer of ownership of receivables prior to 1 January 2022 to Urssaf Caisse nationale (Implications of Article 18 of the 2020 LFSS) (1,245.18 million euros);
→ an increase in aid expenditure of EUR 67.7 million (ARCE and CSP premium);
→ an increase in depreciation and technical provisions of 86.08 million mainly relating to overpayments.

5.1.2.1 – Benefits
The total benefits expenditure increased by 12.63% in 2022, as follows:

EUR millions	2022	2021	2022/2021
ARE	29,517.3	33,644.2	**-12.27%**
ARE Training	1,946.5	2,060.7	**- 5.54%**
ASR/ASP	808.7	1,233.5	**-34.44%**
Other	8.3	8.2	**1.22%**
Total	**32,280.80**	**36,946.6**	**-3.75%**

Expenses per benefit result from taking into account:
→ payments to beneficiaries made during the financial year;
→ a reduction in expenses related to detection of overpayments;
→ a reversal of the provision recognised in 2022 for benefits payable from the previous financial year;
→ the additional expenses represented by the provision recognised for benefits paid at the beginning of 2023 for 2022 or prior periods.

EUR millions	Benefits paid in 2022 (+)	2022 overpayments identified (-)	2022 benefits paid in 2023 (+)	Reversal of 2021 benefits paid in 2022 (-)	Expense for the year (=)
ARE	30,865.1	1,328.5	2,628.4	2,652.9	**29,512.1**
ARE CSP/CTP/EJEN/AAP	7.3	1.0	0.3	1.4	**5.2**
TOTAL ARE	**30,872.4**	**1,329.5**	**2,628.7**	**2,654.3**	**29,517.3**
ARE Training	2,014.0	52.8	195.1	209.8	**1,946.5**
ASR/ASP	823.7	13.7	78.5	79.8	**808.7**
Miscellaneous other	7.9	0.0	1.6	1.2	**8.3**
Total Other Benefits	**2,845.6**	**66.5**	**275.2**	**290.8**	**2,763.5**
TOTAL	**33,718.0**	**1,396.0**	**2,903.9**	**2,945.1**	**32,280.81**

By way of reminder, the 2011 professional safeguarding benefit replaced the specific redeployment benefit and the career transition benefit for persons signed up to this support measure as of 1 September 2011 and up to 31 January 2015. The professional safeguarding benefit has been in place since 2015.

The main changes in benefit payments are as follows:
→ ARE payments amounted to 30.8 billion euros in 2022, compared to 35.4 billion euros in 2021, i.e. a 13% reduction in the average daily benefit amount due to a reduction in the number of days for which benefits were paid (-0.76%);
→ ARE Training payments (excluding social security contributions of 116.4 million euros) amounted to 2.014 billion euros in 2022, compared to 2.098 billion euros in 2021, a fall of 4.04%;
→ ASR and ASP payments (excluding the CSP extra payment) amounted to 823.7 million euros in 2022, compared to 1.286 billion euros in 2021, i.e. a decrease of 35.95%, due to a decrease in the number of days for which benefits were paid under the CSP (-33.70%) coupled with a fall in the average daily benefit amount (-3.15%).

5.1.2.2 – Redeployment benefits

Redeployment benefits amounted to 745.1 million euros in 2022, compared to 677.4 million euros in 2021, and breaks down as follows:

EUR millions	2022	2021	2022/2021
IDR – ASP differential deployment benefit	4.8	8.8	**-45.45%**
ARCE – Allowance for the takeover or creation of a business	596.1	486	**22.65%**
2015 career safeguarding contract bonus	125.2	166.8	**-24.94%**
End-of-entitlements benefit	16.9	13.8	**22.46%**
Other benefits	2.1	2	**5.00%**
All redeployment benefits	**745.1**	**677.4**	**9.99%**

The allowance for the takeover or creation of a business (ARCE) represented the principal benefit, amounting to 596.1 million euros, i.e. 80% of all redeployment benefits. Its amount decreased by 22.65% in 2022.

The institution of the CSP 2015 was accompanied by the creation of the career safeguarding contract bonus.

5.1.2.3 – Validation of supplementary pension credits

In December 2021, Unédic and Agirc-Arrco signed a new agreement to fund additional pension credits acquired by jobseekers receiving unemployment insurance benefits. This new text takes account of the merger of the Agirc and Arrco supplementary pension schemes.

This item corresponds to the cost covered by Unédic incurred in connection with validating Beneficiaries' supplemental pension credits, amounting to 2 228.7 million euros in 2022, compared to 2 448.7 million in 2021. This decrease is explained by a labour market for 2022 which again is slightly more favourable than in 2021.

The breakdown by pension regime is as follows:

EUR millions	Total
Agirc-Arrco	**3,479.34**
Other funds (IRCANTEC - CRPNPAC)	**109.77**
Total pension funds	**3,589.11**
Beneficiaries' contributions	**-1,360.41**
Validation of pension credits	**2,228.70**

5.1.2.4 – Other technical management expenses

This item, which amounts to 5,682.7 million euros, recorded a decrease of 1 686.1 million euros compared to 2021, which is mainly due to the set-off between:

- furloughing scheme expenditures, down 2,356.2 million euros compared to those recorded in 2021;
- the cost of the 11% financial contribution paid annually by Unédic to Pôle Emploi, which recorded a decrease of 330.8 million euros (3,924.1 million euros compared to 4,254.9 million euros in 2021);
- the items of the NVA and Affiliates prescription, which are experiencing an increase of 1 088 million euros compared to 2021 is mainly explained by the clearance of the inventory of receivables not paid by Acoss (Urssaf Caisse nationale) during the netting operation which took place on 25 October 2022.

Other significant expenditures under this item are:

- write-offs and cancellations of benefit recipient receivables, in the amount of 190.4 million euros;
- Unédic's contribution to the career safeguarding contract (CSP), in the amount of 46.8 million euros.

5.1.2.5 – Charge to provisions

Provisions total 189.8 million euros and break down as follows:

- a provision for beneficiaries overpayments, in the amount of 173.6 million euros;
- an additional provision on EESSI receivables in the amount of 12.9 million euros;
- a provision for Pôle Emploi contingencies and miscellaneous expenses, in the amount of 3.3 million euros.

5.2 – ADMINISTRATIVE MANAGEMENT

A net loss of 34.5 million euros was recorded for administrative management in 2022, compared to 35.5 million in 2021.

5.2.1 – INCOME

5.2.1.1 – Provision of services

This item, which amounts to 39.8 million euros, is essentially made up of income received from third parties in the framework of management agreements:

EUR millions	2022	2021
AGS	39.1	38.4
Pôle Emploi	0.1	0.1
Other agreements with third parties	0.0	0.0
Other provisions of services	0.6	0.5
Total	**39.8**	**39.1**

5.2.1.2 – Other income

This item, which totals 1 million euros, principally represents rent paid in connection with the use of the unemployment insurance scheme's property assets.

5.2.1.3 – Transfers of expenses

This item, which amounts to 1.8 million euros, records the spread of commissions on the costs of issuing loans.

5.2.2 – EXPENSES

Expenses amounted to 81.4 million euros in 2022, a decrease of 21.4% (-17.4 million euros) compared to 2021. This decrease was mainly due to commissions on the costs of issuing loans and is to be reconciled with the change in expense transfers mentioned above (-18.2 million euros).

The depreciation of the property stock, and the maintenance and management thereof, represent a significant administrative management expense. There were 37 sites at the end of 2022.

5.2.2.1 – Purchases

This item represented 0.7% of administrative management expenses, i.e. 0.6 million euros.

5.2.2.2 – External services

This item represents 39.8% of administrative management expenses.

EUR millions	2022	2021
Work and services rendered by third parties	5.5	4.9
Renting of movables and immovables	3.7	3.6
Other external services	3.6	3.5
Transport and travel	0.7	0.5
Postal and telecommunications expenses	0.2	0.2
Notarial fees and costs	12.4	14.0
Bank and postal charges	2.3	20.4
Miscellaneous	4.0	3.9
Total	**32.4**	**51.1**

The "Notarial fees and costs" item includes the expenditures relating to the funding of employer and trade union organisations in connection with the management of the Unemployment Insurance scheme, i.e. 2.8 million euros in 2022.

Bank charges include commissions on the costs of issuing loans.

5.2.2.3 – Taxes and duties

This item accounts for 5% of administrative management costs and breaks down as follows:

EUR millions	2022	2021
Taxes on earnings	2.4	2.4
Other taxes and payments	1.7	1.9
Total	**4.1**	**4.2**

5.2.2.4 – Salaries and social security contributions

This item represents 36.6% of administrative management expenses. It breaks down as follows:

EUR millions	2022	2021
Salaries	20.3	20.5
Social security contributions	9.5	9.6
Total	**29.8**	**30.1**

5.2.2.5 – Amortisation, depreciation and provisions

This item represents 17.8% of administrative management costs, i.e. 14.5 million euros, compared to 13 million euros in 2021.

5.3 – FINANCIAL MANAGEMENT

There was a net financial expense of:
→ 299.4 million euros in 2022;
→ 302.8 million euros in 2021.

The expenses for 2022 amount to 434.7 million euros and correspond, in the main:
→ to structured finance expenses, in the amount of 413 million euros, including 372.8 million euros for bonds and NEU MTN;
→ amortisation of bond redemption premiums, in the amount of 21.7 million euros.

The weighted average financing rate for 2022 was 0.495%.

5.4 – NET EXCEPTIONAL INCOME

Unédic posted a net exceptional expense 12.1 million euros, which concerns:
→ the reduction in corporation tax by 4.3 million euros (1.8 million euros in respect of the 2018 financial year and 2.5 million euros in respect of the 2019 financial year) granted by the tax administration on the qualification of negative rates on loans;
→ capital gains on disposals of fixed assets.

5.5 – INCORPORATION TAX

Unédic is liable for corporate income tax in respect of earnings from property revenue and investment income. The tax due amounted to 1.5 million euros for 2022.

The financial income accounts also record interest income on negative rate debt securities issued by Unédic. These items are excluded from the tax base.

5.6 – GAIN FOR THE FINANCIAL YEAR

This is the Unemployment Insurance scheme's net gain for the 2022 financial year.

The scheme posted a net gain of 3,429.8 million euros.

6. ADDITIONAL INFORMATION

6.1 – ESTIMATED BENEFITS TO BE PAID TO BENEFIT RECIPIENTS AT FINANCIAL YEAR END

The "pay-as-you-go" management method implies that certain technical provisions that could be set aside in the context of an insurance or welfare activity are not set aside in the specific context of unemployment insurance. However, they constitute forecasts of potential expenses calculated at the end of the financial year, which can only be called into question in the future as dictated by the financial equilibrium of the unemployment insurance scheme or a change in regulations.

With the aim of providing better information to third parties, we set out below estimates (that are not defined by accounting standards) of the benefits to be paid to benefit recipients with open entitlements at year end and the method of calculating such benefits.

The management report contains more comprehensive information about expenditures and revenues, reflecting the work regularly conducted by the unemployment insurance scheme on the balance between benefits and contributions and the coverage of its financing needs.

6.1.1 – ESTIMATE OF BENEFITS REMAINING TO BE PAID BY THE UNEMPLOYMENT INSURANCE SCHEME TO BENEFIT RECIPIENTS WITH OPEN ENTITLEMENTS AT THE END OF THE FINANCIAL YEAR

The amount of benefits to be paid over the average period of unemployment remaining to be covered as from 31 December 2022 to beneficiaries registered on that date was assessed by Unédic's Studies and Analyses Department to amount to 23,377 million euros This amount does not take into account the benefits to be paid to recipients whose benefits are maintained until they retire. The methods and assumptions used to calculate this estimate are as follows:

- determination of benefits paid in 2022 to recipients entitled to benefits at 31 December 2021 (2,507,019 beneficiaries), i.e. 17,449 million euros;
- calculation of benefits remaining to be paid to this population after 31 December 2022, i.e. 6 118 million euros. This population represents 31% of current beneficiaries at 31 December 2021;
- for this population in 2021, the total amount of benefits remaining to be paid by the unemployment insurance scheme is 23,567 million euros;
- this amount is updated, taking into account a fall in the number of benefit recipients of 0.81% at 31 December 2022 compared to 31 December 2021; the estimate of benefits remaining to be paid to benefit recipients receiving benefits at the end of 2022 is 23,377 million euros.

6.1.2 – ESTIMATE OF BENEFITS REMAINING TO BE PAID BY THE UNEMPLOYMENT INSURANCE SCHEME TO BENEFICIARIES ENTITLED TO MAINTAINED BENEFITS

These benefits concern job-seeking beneficiaries who may under certain conditions receive their benefit payments up to retirement age.

The amount of benefits remaining to be paid to these beneficiaries registered at the end of the financial year was assessed by Unédic's Studies and Analyses Department at 837 million euros. The calculation is performed by extending the indemnification rate used as at 31 December 2022 to up until the day before the retirement date, with the maximum age being 67.

6.1.3 – ESTIMATE OF TOTAL FINANCIAL COMMITMENT

The total benefits remaining to be paid to unemployment insurance beneficiaries with open entitlements on 31 December 2022 is thus estimated to amount to 24.2 billion euros.

6.2 – OFF-BALANCE SHEET COMMITMENTS RELATED TO THE FURLOUGHING SCHEME

Unédic chose to align its methods with those of the French State and so adopted the model developed by the French department for employment and occupational training (DGEFP) to calculate the amount of off-balance sheet commitments relating to the long-term furloughing scheme (APLD) on 31 December 2022.

The purpose of the model is to anticipate the volume of grant applications (GAs) attributable to decisions on authorisation (DA) of use of the furloughing scheme on 31 December 2022 and for which payments will be paid in relation to a furloughing (or temporary lay-offs) period after 1 January 2023.

6.2.1 – INPUT DATA

The work is based on a photograph of the data at 31 January 2023 held in the ASP's IS relating to the furloughing scheme (furloughing scheme IS). These data consist of all DA made and filed since 1 March 2020. The data includes the initial DA, any amendments and all the GAs filed for the months of March 2020 to January 2023.

6.2.2 – ASSESSMENT OF OFF-BALANCE-SHEET COMMITMENTS AND CONSISTENCY WITH ACCRUED EXPENSES AND PROVISIONS FOR EXPENSES

The off-balance-sheet commitments correspond to the estimates of GAs for which payments will be made in respect of a DA opened before 31 December 2022 but for a furloughing period from 1 January 2023.

The DA are thus divided into 46 different groups, or "cohorts", according to the end date of the DA (prior to 31 December 2022 and for each month of 2023), and the calculation is performed by following the procedure as set out below:

→ To estimate the change in GAs within the cohorts, it is necessary to start from the residual DA ("remaining to be consumed") on 31 December 2022 (residual DA = DA validated in 2022 - GAs for which a payment was made in 2020, 2021 and 2022 - Potential additional GA payment made after 31/12/2021 in respect of 2022).

→ These residual DA and estimated number of furloughing scheme allowance hours consumed are distributed over 2023, based on the weight of each cohort. The weight of a cohort is determined according to a number of participants/FTE employees to which the cohort applies, compared with the total number of participants/FTE employees to which all cohorts combined apply. The greater the number of participants to which the cohort applies, the greater share of the DA the cohort will have.

→ For each cohort, the commitment for each month corresponds to the lower of the pro-rated estimated number of furlough scheme allowance hours consumed of the cohort of the month in question and the total residual DA of the cohort (net of consumption of previous months and estimated potential additional payments of the cohort, multiplied by the rate of transformation of DA into GAs observed on previous extinguished cohorts).

→ This operation is carried out for each month of 2023 (until the cohort is extinguished) and the commitment corresponds to the sum of the monthly commitments.

Using this method, one obtains an amount of off-balance sheet commitments for the PA of 3 million euros and an amount of off-balance sheet commitments for the APLD of 46 million euros, i.e. an overall amount of off-balance sheet commitments of 49 million euros, with Unédic's share amounting to 16 million euros (33%).

6.3 – EXPLICIT GUARANTEE BY UNEDIC OF THE LOAN TAKEN OUT BY AGS

In 2020, the French economy was hit by an unprecedented crisis due to the Covid-19 pandemic. In this context, which was marked by a reduction in revenues (deferral and decrease in employer contributions, reduction in the amount of distributions on the part of official receivers) and an increase in expenditures (extension of the AGS guarantee), AGS wished to put in place a short-term bank facility to cope with the high demand on its cash resources expected for the coming period.

The forecasts made by Rexecode for the AGS in September 2020 showed a finance need of the order of 2 billion euros until the end of 2021, with an assumption of a contribution rate unchanged and maintained at 0.15%.

In its capacity as AGS's agent for the financial management of AGS and in accordance with the decisions of the Board of Directors of 30 June 2020, Unédic set up, in the name and on behalf of the AGS, a syndicated structured bank facility meeting AGS's funding needs, with maturities of 3 and 4 years, in the maximum total amount of 2 billion euros.

Considering the financial solidarity between the institutions as provided for in Article L3253-14 of the French Labour Code, Unédic also put in place an explicit guarantee, autonomous at first request, for the benefit of the banking syndicate, to guarantee the loan contracted by the AGS. As an off-balance sheet commitment of Unédic, it will be monitored on a regular basis.

It turns out that the AGS's financial situation, which remained stable in 2020, even improved in 2021, in particular as a result of the various support measures deployed for companies and the strong economic recovery.

Therefore, as of 31 December 2021, the loan had not been drawn. This is why a renegotiation of its terms was initiated at the end of 2021 in order to limit the overall cost for the AGS.

Indeed, following the annual meeting held on 17 December 2021 between the AGS and the union's banks, a letter of partial cancellation and request for amendment was sent to the banks on 20 December 2021. The new conditions have been applicable since 26 January 2022 and have led to savings for the AGS.

Moreover, this renegotiation resulted in the signing of an amendment to the loan agreement on 31 March 2022. As a result of this renegotiation, Unédic's explicit guarantee granted to the AGS on the Social Credit now covers a total amount of 500 million euros and no longer 1.5 billion euros.

The loan has not been used in 2022.

6.4 – NUMBER OF UNÉDIC EMPLOYEES

On 31 December 2022, Unédic had 334 employees, 219 of whom were assigned to management of the employee guarantee scheme (AGS).

6.5 – OPERATIONS UNDERTAKEN ON BEHALF OF THIRD PARTIES

The employees' claims guarantee management association (Association pour la gestion du régime de Garantie des créances des Salariés – AGS), which is an employers' organisation created in early 1974 and financed by businesses, pays debts resulting from employment contracts if a business enters into recovery or court-ordered liquidation proceedings. A management agreement was entered into between AGS and Unédic, the latter being responsible for managing contribution collections, making the necessary funds available to court-appointed representatives and administrators, recovering advanced amounts and keeping accounts for these transactions. Unédic itself entered into an agreement with Pôle emploi on 19 November 2008 relating to recovering unemployment insurance contributions and AGS contributions (via the Regional Departments and Pôle Emploi service).

The transfer of collections to Acoss generated accounting and financial flows beginning in 2010 in the framework of two pilot phases. An agreement signed on 17 December 2010 by Unédic, AGS, Acoss and Pôle emploi set out the rules and procedures for generalising the handling of contribution collection by Acoss and its network.

The contribution rate changed from 0.25% (rate applicable since 1 January 2016) to 0.20% starting 1 January 2017, following a December 2016 decision of AGS's Board of Directors, and was subsequently lowered to 0.15% from 1 July 2017 onwards.

6.6 – STATUTORY AUDITORS' FEES

The fees relating to statutory auditor assignments in 2022 amounted to 558 thousand euros (including VAT), which were split equally by the two co-signatory accounting firms, FCN and Grant Thornton, of which 103 thousand euros for Services other than Signing Off on the Accounts.

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2022

To the members of Unédic Association's Board of Directors,

OPINION

In compliance with the assignment entrusted to us by your Board of Directors, we have audited the accompanying annual financial statements of Association Unédic for the year ended 31 December 2022.

In our opinion the annual financial statements have been properly drawn up in accordance with French accounting standards so as to give a true and fair view of the financial position and the assets and liabilities of the Association as at the end of this period and the results of its operations for the year then ended.

The opinion given above is consistent with the content of our audit report.

BASIS FOR THE OPINION

AUDITING STANDARDS

We conducted our audit in accordance with approved standards on auditing in France. We believe that the information we collected was sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the "Responsibilities of the statutory auditors regarding the audit of the annual financial statements" section of this report.

INDEPENDENCE

We conducted our audit in accordance with the independence rules applicable to us, as set out in the French Commercial Code and the Code of Ethics for the Auditing Profession, for the period from 1 January 2022 to the date we issued our report. for the period from 1 January 2020 to the issue date of our report. In particular, we have not provided any services prohibited under Article 5(1) of Regulation (EU) No 537/2014.

In addition, services other than signing off on the accounts that we furnished to your Entity over the course of the financial year and that are not mentioned in the management report or in the notes to the financial statements are as follows:
→ Report on findings resulting from the agreed-upon procedures relating to the assessment of the internal control system relating to operations managed on AGS's behalf;
→ Audit report on the accounting statements tied to the operations managed on AGS's behalf;
→ Moderate assurance report on the "Allocation and impact report - Social issues 2021".

OBSERVATIONS

Without calling into question the opinion expressed above, we would draw your attention to the following points set out in the notes to the annual financial statements:
→ note 1.3 "Funding of unemployment insurance" concerning the measures taken to ensure the funding of unemployment insurance, taking into account the economic context and structural reforms and their impact on the technical balance stipulations;
→ note 2.1 "General principles" specifying that unemployment insurance is a specific pay-as-you-go scheme, and that the financial statements have been prepared in accordance with the chart of accounts of the unemployment insurance bodies approved by the National Accounting Council. Therefore, the specificities of the declaratory nature of unemployment insurance and the consequences thereof, both as regards the declarations by affiliates and payments to the beneficiaries, were taken into account when preparing the annual financial statements;
→ notes 1.1.6.3 and 2.4.1.2 which set out the changes resulting from the application of b) of 5° of Article L225-1-1 of the Social Security Code, relating to the repayment of the sums due, as of 1 January 2022 concerning the contributions collected by Urssaf Caisse nationale, as well as the impacts on the accounts.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT ISSUES

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgement, were of most significance in our audit of the parent company financial statements for the fiscal year, as well as how we addressed those risks.

These assessments were performed as part of the audit of the financial statements taken as a whole, and approved as described above, and led to our opinion as expressed above. We express no opinion on the individual elements contained in these annual financial statements.

CONTRIBUTIONS COLLECTED BY URSSAF CAISSE NATIONALE

Risk identified
As indicated in note 2.1 "General Principles" of the notes to the financial statements, Unédic's financial statements were prepared based on the financial information produced by the agency in charge of collecting Unemployment Insurance contributions. Unemployment Insurance contributions are collected or offset, on behalf of Unédic, mainly by the Urssaf Caisse nationale via the Urssaf and the CGSS, by the CCMSA for the agricultural sector and by Pôle Emploi for special contributions.

As of 1 January 2022 and pursuant to Article 12 of the Social Security Funding Act for 2022, Urssaf Caisse nationale pays the unemployment insurance contributions due on wages as declared by employers via the DSN, after application of a flat rate for non-recovery costs of 1.1% fixed by order of 8 August 2022. A management fee rate of 0.1%, set by order of 23 May 2022, is applied to the sums paid to Unédic.

Pursuant to these provisions, the financial statements for the 2022 financial year record changes related to the terms and conditions of repayment of unemployment insurance contributions due by Urssaf Caisse nationale to Unédic presented in paragraph 1.1.6.3 of the notes to the financial statements, as well as the impacts of the settlement of balances closed at the end of 2021, the details of which are communicated in paragraph 2.4.2.1 of the notes to the financial statements.

In this context and in the light of the uncertainties inherent in the cash flows managed by third parties and the weight of the contributions managed by Urssaf Caisse nationale, we considered that the accuracy, completeness, measurement and correct transcription of the financial information produced by the Urssaf Caisse nationale constituted a key audit issue, taking into account the fact that this agency collects a substantial portion of the contributions and fully offsets the removal of the employee portion and general reductions.

Audit procedures implemented in response to this risk
In accordance with Article L. 141-10 of the Code of Financial Jurisdictions, we informed the Court of Auditors of the due diligence and checks expected with regard to the flows and balances of Unemployment Insurance, managed on behalf of Unédic, in terms of the accuracy, completeness and assessment of contributions, asking them to give us:
- their opinion on the quality of the internal control system deployed by Urssaf Caisse nationale;
- reasonable assurance about Unemployment Insurance flows in terms of both revenue and receipts.

We had an oral exchange with the rapporteurs of the Court of Auditors on 17 January 2023 and 21 April 2023.

In our discussions with the Sixth Chamber of the Court of Auditors, we obtained and analysed extracts from their interim work on the internal control system and their final work on the accounts. In particular, we obtained the result of specific work carried out by the Court of Auditors on the audit trail concerning the companies' declarations and the amounts recorded in the accounts, as well as additional information from the Urssaf Caisse nationale.

We have also read and analysed the report on the certification of the accounts of the general social security scheme published on 16 May 2023, which states that the accounts were certified with reservations as regards the collection activity. An adversarial exchange meeting with the Court on 5 June 2023 allowed us to obtain additional elements for analysis.

We have analysed the basis of the Court's opinion in order to identify and assess the absence of risks of material misstatement on the flows and balances relating to Unédic.

On the basis of tests of internal controls and substantive tests, we also assured ourselves of:
→ the adequacy and effectiveness of internal controls implemented within Unédic to ensure that the cash flows managed by Urssaf Caisse Nationale are correctly re-transcribed;
→ the proper re-transcription of the statements issued by Urssaf Caisse nationale and whose flows are reviewed and validated by its certifier.

UNEMPLOYMENT BENEFIT

Risk identified
As indicated in note 2.1 "General Principles" of the notes to the financial statements, Unédic's financial statements were prepared based on the financial information produced by the agency in charge of paying benefits.
In accordance with the provisions of Law No. 2008-126 of 13 February 2008 on the reform of the public employment service, Pôle Emploi managed all unemployment insurance benefits.

They are based on the quality of the procedures implemented at Unédic itself as well as on the internal control system of Pôle Emploi and the financial information transmitted by it to Unédic. In this context and in the light of the uncertainties inherent in the cash flows managed by third parties, we considered that the accuracy, completeness and extent of Unédic's benefits constituted a key audit issue.

Audit procedures implemented in response to this risk
We sent audit instructions on 25 July 2022 concerning specific issues to the statutory auditors of Pôle Emploi requesting that they provide us with their opinion on the internal control system and the financial information provided by Pôle Emploi to Unédic.

We had discussions with the auditors of Pôle Emploi about the internal control system on 16 December 2022 and on the audit on 11 May 2023.

In order to assess the relevance and the adequacy of the information we obtained, we reviewed the conclusions of their interim work and their substantive work. We assured ourselves that this work covered all the procedures we communicated to them.

In addition, Pôle Emploi's statutory auditors provided us their report entitled "Statutory auditors' audit report on Pôle emploi's accounting statements relating to managing affiliate contributions and beneficiaries payments on Unédic's behalf" dated 24 May 2023 in respect of the 2022 financial year, which contains a favourable opinion.

On the basis of tests of internal controls and substantive tests, we also assured ourselves of:
→ the reliability of the internal audit implemented by Unédic to gain assurance of the proper re-transcription into Unédic's accounts of Pôle Emploi's accounting statements as approved by its statutory auditors;
→ the consistency of developments with macro-economic data provided by Unédic's DEA and Pôle Emploi's statutory auditors.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also carried out the specific verifications required by the laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the parent company financial statements of the information provided in the CEO's Management Report and in the other documents conveyed to the Board of Directors on the financial position and the parent company financial statements.

DISCLOSURES RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

APPOINTMENT OF STATUTORY AUDITORS

We were appointed statutory auditors of Association Unédic by the Board of Directors on 14 January 1994, as regards FCN, and on 29 June 2018, as regards Grant Thornton.

On 31 December 2022, Grant Thornton was in its 5th year as statutory auditor and FNC was in its 29th year, of which 5 and 13 years, respectively, since Association Unédic became a public interest entity pursuant to paragraph 6 of section III of article L. 820-1 of the French Commercial Code.

RESPONSIBILITIES OF MANAGEMENT AND INDIVIDUALS CHARGED WITH CORPORATE GOVERNANCE IN RESPECT OF THE ANNUAL FINANCIAL STATEMENTS

It is management's responsibility to prepare annual financial statements giving a fair view in accordance with French accounting principles and to implement the internal control procedures it deems necessary in order to ensure that the annual financial statements are free of material misstatements, whether due to fraud or error.

When preparing the annual financial statements, management is responsible for assessing the Association's ability to continue as a going concern, to include in these statements, as applicable, the necessary information related to continuing as a going concern, and to apply the going concern basis of accounting, except if the Association is expected to be wound up or cease operating.

It is the Audit Commission's responsibility to monitor the process used to prepare the financial information and the effectiveness of internal control and risk management systems and, as applicable, internal audit systems, as these apply to procedures relating to preparing and processing accounting and financial information.

The annual financial statements were approved by the CEO.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE COMPANY FINANCIAL STATEMENTS

AUDIT OBJECTIVES AND APPROACH

It is our responsibility to prepare a report on the annual financial statements. We are required to plan and perform the audit to obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will systematically identify any material misstatements. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make based thereon.

As specified in Article L. 823-10-1 of the French Commercial Code, our task of certifying the financial statements is not to guarantee the viability or quality of the management of your Association.

As part of an audit conducted in accordance with auditing standards applicable in France, the statutory auditors exercise professional judgement throughout the audit.

They also:
- identify and assess the risks that the annual financial statements contain material misstatements, whether due to fraud or error, define and perform audit procedures in light of those risks, and obtain evidence that they deem sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations, or the circumvention of internal control;
- obtain an understanding of internal control relevant to the audit in order to define audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as related disclosures provided in the annual financial statements;
- assess the appropriateness of management's use of the going concern accounting policy and, based on the evidence obtained, whether a material uncertainty exists related to events or circumstances that could jeopardise the Association's ability to continue as a going concern. This assessment is based on the evidence obtained up to the date of their report. However, subsequent events or conditions may cause the jeopardise the ability to continue as a going concern. If they conclude that a material uncertainty exists, they will draw the attention of readers of their report to the disclosures in the annual financial statements about such uncertainty, or, if such disclosures are not provided or are notrelevant, they will either issue a qualified opinion or refuse to certify the statements;
- evaluate the overall presentation of the annual financial statements and whether the annual financial statements reflect the underlying transactions and events in a manner that provides a fair presentation.

REPORT TO THE AUDIT COMMISSION

We provide a report to the Audit Commission that includes information about the scope of the audit, the work programme implemented, and the findings resulting from our audit. As appropriate, we also bring to the Audit Commission's attention material weaknesses in internal control that we identified as regards the procedures for preparing and processing accounting and financial information.

Among the information contained in our report to the Audit Commission are the risks of material misstatement that we consider to have been the most significant to the audit of the annual financial statements for the financial year and which therefore constitute the audit's key issues. It is our responsibility to describe these in this report.

We also provide the Audit Commission with the statement provided for by Article 6 of Regulation (EU) No, 537-2014 confirming our independence, within the meaning of the rules applicable in France as set forth in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the statutory auditors' professional code of ethics. As appropriate, we discuss with the Audit Commission any risks to our independence and the safeguards applied.

Paris and Neuilly-sur-Seine, 22 June 2023.

Statutory Auditors,

Grant Thornton
French member of Grant Thornton International

Cyril Brogniart
Partner

FCN

Serge Floch
Partner

Pamela Bonnet
Sharholder

Unédic 2022 Financial Report

Publication department: Christophe Valentie · **Editorial department:** Unédic's Information and Communication Department · **Editorial design:** AndJOY · **Design and graphics:** BA–BA (www.ba-ba.fr) · **Illustration:** Simon Landrein/Lezilus (cover) · **Print:** Iropa

ISSN 0997-1351

See also:

2022 Activity Report

2022 Report of the joint regional bodies
(in French)

2022 Report on risk management, controls and audit
(in French)

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