

# FINANCIAL Report





# Contents

PAGE 4

## CEO's report



PAGE 14

## Financial statements



PAGE 18

## 1. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

1.1	Legal and regulatory measures	P. 20
1.2	State-Unédic joint systems	P. 24
1.3	Funding of Unemployment Insurance	P. 25
1.4	Relations between Pôle emploi and Unédic	P. 30
1.5	Financial relations with collection agencies	P. 31
1.6	Increase in unemployment benefits	P. 33



PAGE 34

## 2. ACCOUNTING POLICIES AND METHOD

2.1	General principles	P. 34
2.2	Unemployment benefits	P. 34
2.3	Furloughing scheme expenditures	P. 35
2.4	Contributions and other funding	P. 36
2.5	Other items	P. 39
2.6	Financial relations with third parties	P. 40



PAGE 42

## 3. EVENTS OCCURRING AFTER REPORTING DATE

3.1	Failure of the national cross-industry "Life at Work Pact" negotiations and the rider to the unemployment insurance agreement of 27 November 2023	P. 42
3.2	Law no. 2023-1196 of 18 December 2023 for full employment	P. 42
3.3	New tripartite agreement 2024-2027	P. 43
3.4	Operational management of the plan wage guarantee scheme	P. 43
3.5	Career safeguarding contract	P. 44
3.6	Furloughing scheme	P. 44
3.7	Bond issuances	P. 45

PAGE 46

## 4. BALANCE SHEET ANALYSIS

4.1	Analysis of balance sheet – assets	P. 46
4.2	Analysis of balance sheet – equity and liabilities	P. 51



PAGE 56

## 5. ANALYSIS OF INCOME STATEMENT

5.1	Technical management	P. 56
5.2	Administrative management	P. 60
5.3	Financial management	P. 61
5.4	Net exceptional incomes	P. 62
5.5	Corporation tax	P. 62
5.6	Net profit	P. 62



PAGE 63

## 6. ADDITIONAL INFORMATION

6.1	Estimated benefits to be paid to benefit recipients at financial year-end	P. 63
6.2	Estimated of benefits remaining to be paid by Unemployment Insurance recipients receiving benefits at the end of the year	P. 63
6.3	Estimated of benefits remaining to be paid by the Unemployment Insurance to recipients benefitting of a continued compensation	P. 64
6.4	Total estimated financial commitment	P. 64
6.5	Off-balance sheet commitments related to the furloughing scheme	P. 64
6.6	Explicit guarantee by Unédic of loan taken out by AGS	P. 65
6.7	Unemployment Insurance workforce	P. 66
6.8	Transactions carried out on behalf of third parties	P. 66
6.9	Statutory Auditors' fees	P. 66



PAGE 67

## Statutory auditors' report on the annual financial statements

# CEO'S report

## 2023: debt reduction confirmed despite the economic slowdown

In 2023, the effects of inflation coupled with rising interest rates had an impact on economic activity and job creation. Against this backdrop of slower growth, the financial trajectory of the Unemployment Insurance scheme remained positive. The scheme continued to reduce its debt, albeit to a lesser extent due to government deductions from its revenues.

At the end of the year, the government decided on these levies, which are more precisely the partial non-compensation of unemployment insurance contribution exemptions between 2023 and 2026 to finance France Compétences and France Travail. As a result, the scheme's revenues will be reduced by €12.05 billion over the entire period, including €2 billion in 2023.

These deductions from revenue reduce the capacity of the Unemployment Insurance scheme to repay its debt. Unédic has even been forced to borrow on the financial markets at a time of high interest rates. The additional cost of financing the levies on interest expenses would total €1 billion between 2023 and 2027.

At the end of 2023, Unemployment Insurance showed a surplus of €1.5 billion. Excluding government contributions, the surplus would have been €3.5 billion.

The ability to maintain controlled and efficient management of the scheme, in line with the financial steering provided by the social partners, is essential if Unédic is to continue to carry out its missions and if Unemployment Insurance is to play its role as an economic and social shock absorber. Climate change, artificial intelligence... the labour market is in turmoil. That's why we need a clear outlook to support and secure career transitions under the right conditions.

Finally, to talk about 2023 without mentioning the Unemployment Insurance negotiations, which took place between September and November, would be to miss an intense and revealing moment. Intense because, during those two months, every department at Unédic was called upon. It was revealing because the commitment, expertise and high standards of Unédic's departments were unanimously hailed as an essential asset for social dialogue.

## Non-compensation that complicates the reading of the accounts...

The partial non-compensation of Unemployment Insurance contribution exemptions to the tune of €2 billion in 2023 was intended, as announced by the French government, to finance France Compétences and France Travail. This resulted in a cash payment from Unédic to the Urssaf Caisse nationale at the very end of the year. However, the absence of any mention of the purpose of the funds in the legal texts meant that this deduction could not be reflected in the scheme's expenses for accounting purposes. The levy is therefore shown in Unédic's 2023 financial statements as a deduction from the main contributions, which makes it difficult to read.

## ... and costing the Unemployment Insurance scheme

Unédic contributes 11% to the operating costs of its operator France Travail. This contribution is calculated on the basis of receipts of Unemployment Insurance contributions for the financial year N-2 and is calculated on a base before application of the partial non-compensation of general reductions. Unédic will therefore have to pay 11% of the partial non-compensation from 2025 onwards.

In 2023, Urssaf Caisse nationale applied a non-recovery rate of 1.1% on sums not collected, bringing the reduction in Unédic's income to €2,022 million.

At a time when the scheme is in debt, this partial non-compensation of exemptions will generate additional costs linked to the need to finance the sums not received. These additional financial expenses for Unédic have been estimated at €13 million in 2023.

### OVERALL COST OF PARTIAL NON-COMPENSATION

In millions of euros	2023	2024	2025	2026
Partial non-compensation of the General Reduction	- 2,000	- 2,600	- 3,350	- 4,100
Financing of France Travail	- 220	- 286	- 369	- 451
Application of a non-recovery rate	- 22	- 29	- 37	- 45
Additional financing costs	- 13	- 115	- 202	- 285
<b>TOTAL COST</b>	<b>- 2,255</b>	<b>- 3,030</b>	<b>- 3,957</b>	<b>- 4,881</b>

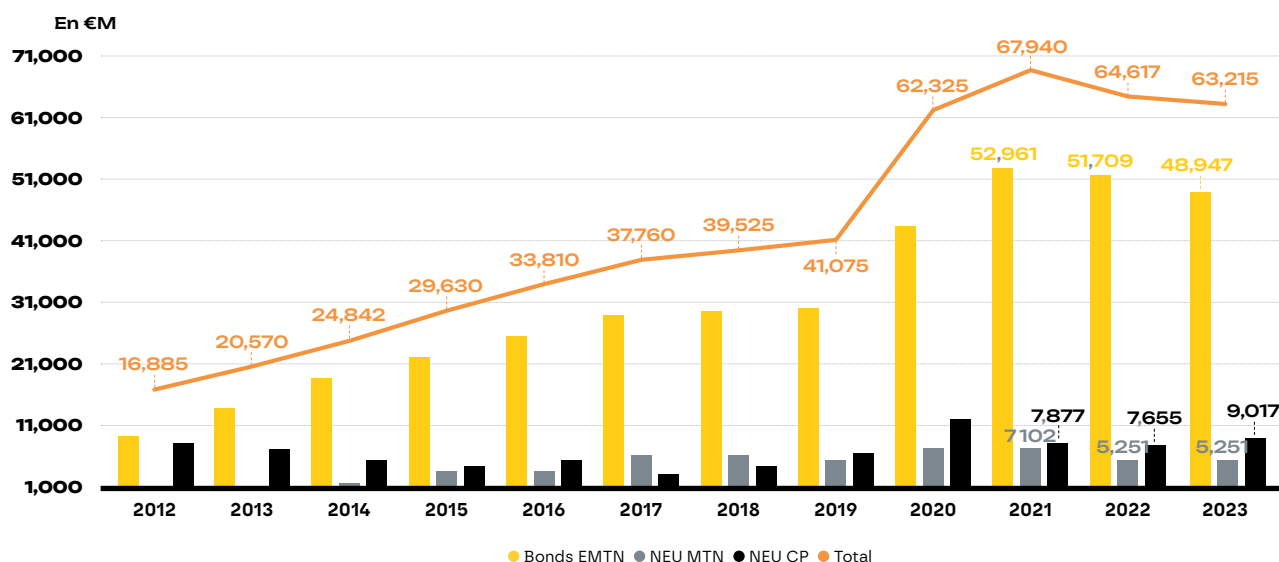
As a result, the partial non-compensation of €2 billion in 2023 will ultimately represent an overall cost of nearly €2.3 billion. As the regulations currently stand, the impact on the scheme's finances will continue and add up in future years.

## Debt reduction of the Unemployment Insurance scheme is continuing, but in smaller proportions than expected

Despite the partial non-compensation of the general reduction and the slight rise in the unemployment rate in 2023, the financial balance of the Unemployment Insurance scheme will remain positive in 2023. This favourable trajectory of the financial balance will ensure the continuation of the phase of debt reduction of the scheme that began in 2022.

After issuing eight bonds on the financial markets in 2021 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 in 2022 and 2023 allowed for less borrowing. Unédic has therefore issued €1 billion of new bond debt in the form of a "Social Bond" in 2022 and the same amount in 2023.

## CHANGES IN FINANCIAL DEBT



The scheme's gross debt, which stood at almost €41 billion at the end of 2019, before the crisis, now stands at almost €63.2 billion at the end of 2023, down from €64.6 billion at the end of 2022.

## The reduction in resources in a context of rising interest rates increases the cost of the Unemployment Insurance debt

Although the unemployment insurance scheme is continuing to reduce its debt, interest expenses have increased. After two years of strong demand from the financial markets, 2023 saw a continuation of the monetary tightening begun in 2022 in the world's major economic zones with the aim of curbing inflation. In total, key rates in the eurozone have risen by 450 basis points since the start of monetary tightening in July 2022.

In 2022 and 2023, the return to surplus and the reduced recourse to medium- and long-term debt issuance on the financial markets nonetheless led to a reduction in their respective outstandings. As a result, over the same period, the average maturity of outstanding medium- and long-term debt fell from 6 years and 11 months to 5 years and 11 months.

**DEBT AT YEAR-END (EXCLUDING ACCRUED INTEREST)  
AND FINANCIAL EXPENSES OVER THE PERIOD 2016-2023**

In millions of euros	2016	2017	2018	2019	2020	2021	2022	2023
Net debt (at 31/12)	29,758	33,549	35,540	36,815	54,611	63,639	60,714	<b>59,303</b>
Net financial expense	324	352	365	334	315	303	299	<b>413</b>
Net financial expense to net debt ratio	1.09 %	1.11 %	1.03 %	0.91 %	0.58 %	0.48 %	0.49 %	<b>0.69 %</b>

**INCOME STATEMENT FOR THE FINANCIAL YEAR**

In billions of euros	2022	2023
Main contributions and other funding (including CSG)	43.0	<b>43.4</b>
Special contributions	0.4	<b>0.6</b>
Other products	1.5	<b>0.3</b>
<b>Total technical income</b>	<b>44.9</b>	<b>44.2</b>
ARE	- 29.5	<b>- 31.1</b>
Other benefits	- 2.8	<b>- 3.0</b>
Redeployment benefits	- 0.7	<b>- 0.8</b>
Validation of pension credits	- 2.2	<b>- 2.4</b>
Furloughing scheme funding	- 0.2	<b>- .01</b>
11% Pôle emploi contribution	- 3.9	<b>- 4.3</b>
Other expenses	- 1.8	<b>- 0.5</b>
<b>Total technical expense</b>	<b>- 41.1</b>	<b>- 42.3</b>
<b>Technical management result</b>	<b>3.8</b>	<b>2.0</b>
<b>Administrative management result</b>	<b>- 0.0</b>	<b>- 0.0</b>
<b>Net financial result</b>	<b>- 0.3</b>	<b>- 0.4</b>
<b>Net exceptional items</b>	<b>0.0</b>	<b>0.0</b>
Corporation tax	-0.0	<b>- 0.0</b>
<b>NET INCOME</b>	<b>3.4</b>	<b>1.5</b>

By 2022, economic activity had benefited from exceptionally buoyant revenues and a reduction in expenditure linked to the fall in the unemployment rate and the end of the various emergency measures.

In 2023, the favourable financial trajectory is confirmed. This growth is based on a 5.3% increase in main contributions (excluding the tax exemption scheme). The increase is based on growth in the average per capita wage (APCW- approximately +4.5% in 2023), since wage increases have remained dynamic due to inflation. Growth in GDP (+0.9% on average over the year as a whole) also supported the increase in CSG revenues on earned income allocated to Unédic.

Expenses recognised in respect of the back-to-work allowance (ARE) will again amount to 31.1 billion euros in 2023, compared with 29.5 billion euros in 2022, an increase of 5.4% explained by an increase in the average number of days on benefit (+1.77%).



Expenses recognised in respect of ARE Training amounted to €1,902 billion in 2023, compared with €1,946 billion in 2022, a decrease of 2.3%.

Expenses relating to the specific reclassification allowance (ASR) and the professional securitisation allowance (ASP) (excluding the CSP bonus) amounted to €1,116 billion in 2023, compared with €808 million in 2022, an increase of 38% that can be explained in particular by the rise in the number of days paid under the professional securitisation contract (CSP) (+34.55%) coupled with a fall in the average daily rate (+1.67%).

After taking into account the Unemployment Insurance's contribution to the financing of supplementary pensions for recipients (€2,398 million in 2023, up on 2022) and its contribution to France Travail's budget (€4,334 million), technical management expenses will increase by 2.8% between 2022 and 2023.

The underwriting result was a profit of €1,988 million, down on the 2022 figure of €3,753 million.

After taking into account the net loss from administrative operations of €37 million, the net loss from financial operations of €413 million, exceptional items and tax on property rents, net profit for the year amounted to €1,536 million.

## A return to a positive cash flow following the continuation of the surplus situation

The net change in cash and cash equivalents for Unemployment Insurance operations was positive at €1,411 million, as follows:

In millions of euros	31/12/2022	31/12/2023	2023/2022 Change
Bond issues	- 51,500	- 48,750	2,750
Short-term negotiable commercial paper (NEU CP)	- 7,655	- 9,017	- 1,362
Negotiable medium-term notes (NEU MTN)	- 5,250	- 5,250	0
Overdrafts	- 3	0	3
Investments	2,035	2,563	528
Bank Balances	1,659	1,151	- 508
<b>TOTAL</b>	<b>- 60,714</b>	<b>- 59,303</b>	<b>1,411</b>

The gain for the financial year of €1,536 million and the change in cash position of €1,411 million is explained as follows:

### FROM THE PROFIT FOR THE FINANCIAL YEAR TO THE CHANGE IN CASH POSITION

ACCOUNTING GAIN FOR 2023	1,536 million euros
Transactions generating no change in cash (increase in underwriting reserves)	€84 million
Decrease in cash requirements linked to business cycle	-€209 million
<b>2023/2022 CHANGE IN CASH POSITION</b>	<b>€1,411 million</b>

The negative net equity position of -€59,755 million at the end of 2022 improves mechanically by €1,536 million, due to the surplus for the 2023 financial year, to reach a negative net equity position of -€58,220 million at 31 December 2023.

In millions of euros	31/12/2022	31/12/2023	2023/2022 Change
Retained earnings and reserves	- 63,185	- 59,755	3,430
Net profit of the financial year	3,430	1,536	- 1,894
<b>NET POSITION</b>	<b>- 59,755</b>	<b>- 58,220</b>	<b>1,536</b>

The change between the negative net equity position of €58,220 million and the net banking debt position of €59,303 million, after deducting cash and cash equivalents, is explained as follows:

#### FROM NET DEBT TO NET BANK DEBT

<b>NET POSITION AT 31/12/2023</b>		<b>- 58,220 million euros</b>
Transactions generating no change in cash (funding capacity represented by cumulative amortisation depreciation and provisions as at 31/12/2023)		€2,227 million
Gross non-current assets at 31/12/2023		- €83 million
Cash requirement represented by the funding of the difference between operating receivables and operating payables		- €3,520 million
Cash source linked to accrued interest on borrowings and deferment of borrowing costs to be distributed (issue premiums, accrued interest, etc.)		- €209 million
<b>NET BANK DEBT AS AT 31/12/2023</b>		<b>- €59,303 million</b>

## **Events subsequent to the closing of the 2023 accounts impacting the Unemployment Insurance scheme**

The following events, which occurred subsequent to the year ended 31 December 2023, are noted:

### **National cross-industry negotiations fail “Pacte de la vie au travail” and the rider to the Unemployment Insurance agreement of 27 November 2023**

The national cross-industry negotiations on the “Life at Work Pact” which began in February 2024 were expected to result in a rider to the Unemployment Insurance agreement of 27 November 2023 containing measures relating to compensation for senior citizens, the agreement approval procedure having been suspended pending these additions (see 1.1.5 - Conclusion of the Unemployment Insurance agreement of 27 November 2023).

However, these negotiations did not result in the signature of a national inter-professional agreement (ANI), nor of a rider to the unemployment insurance agreement.

Insofar as the outcome of these “Life at Work Pact” negotiations was a condition for the resumption of the approval procedure for the November 2023 agreement, a decree setting out the new Unemployment Insurance rules will apply from 1<sup>st</sup> July 2024.

### **Law no. 2023-1196 of 18 December 2023 for full employment**

Among the measures concerning Unédic, which will apply from 1<sup>st</sup> January 2024, this law lays the legal foundations for the operator France Travail (formerly Pôle emploi) and the Réseau pour l'emploi (RPE), which brings together the players involved in job placement and support for jobseekers, including people on the RSA, young people (local missions) and people with disabilities (Cap emploi).

The aim of this unified network is to ensure better coordination of players in the field of social and professional integration (common base concerning support criteria, services offered, duties and sanctions for jobseekers, as well as shared tools, etc.). In terms of governance, a national employment committee brings together the various players (State, social partners, local authorities, Unédic, etc.), with particular responsibility for defining the network's strategic guidelines.

At this stage, funding from Unédic to France Travail has been maintained at a rate of 11% of the scheme's resources (following the joint decree of 21 December 2023).

Other measures will apply from 1<sup>st</sup> January 2025 at the latest (compulsory registration with the France Travail operator for anyone who is fit for work and receiving support from a public employment service provider, single commitment contract to replace the personalised project for access to employment (PPAE), etc.).

## New tripartite agreement 2024-2027

On 11 April 2024, the new National Employment Committee issued a favourable opinion on the draft tripartite agreement between the State, Unédic and France Travail for the period 2024-2027.

This new agreement, signed on 30 April 2024, sets three objectives for the new public employment service operator:

- Giving everyone the means to access sustainable employment;
- Ensuring that users have access to their benefit entitlements to help them get back to work;
- Help employers to recruit more quickly and sustainably and diversify their recruitment methods.

To ensure performance management, 15 strategic indicators have been jointly decided and will all be applicable from 2025. Lastly, the text stipulates that the annual State subsidy will be maintained at 1.35 billion euros until 2027, and that the Unédic contribution rate will be stabilised at 11% of the unemployment insurance scheme's revenue for year N-2.

## Operational management of the wage guarantee scheme

For more than 25 years, the operational management of the wage guarantee scheme has been the responsibility of the Délégation Unédic AGS (DUA), a dedicated Unédic body, in conjunction with the AGS bodies.

Under the new Unédic-AGS agreement signed on 27 June 2023 and taking effect from 1<sup>st</sup> January 2024, all staff and activities of the Délégation Unédic AGS have been transferred to AGS.

Unédic carries out the following tasks on behalf of AGS:

- managing the scheme's overall cash position;
- monitoring the collection of contributions;
- preparing technical management forecasts.

## Job security contract

Three agreements between the State, Unédic and France Travail (formerly Pôle emploi), relating to the financing and implementation of the Contrat de Sécurisation Professionnelle (CSP), could be subject to change. Where appropriate, discussions between the State and the social partners should focus in particular on the funding of training and support for CSP beneficiaries.

In fact, since 2020, the State has no longer been involved in funding their training and support. This situation follows on from Law no. 2018-771 of 5 September 2018 on the freedom to choose one's professional future, which modified the management and funding scheme for training actions for CSP beneficiaries, which previously relied on the FPSPP and the approved joint collecting bodies (Opcd), as well as on the increase of one point in Unédic's overall contribution to France Travail's budget under the heading of "strengthening support for jobseekers", which results from the decree of 26 July 2019.

## Financial strategy

Following authorisation by Unédic's Board of Directors on 27 June 2023, an order from the Minister for the Economy, Finance and Industrial and Digital Sovereignty was published in the Journal Officiel on 13 March 2024 granting the State's guarantee for Unédic's bond issues up to a maximum of €1 billion.

At its meeting on 31 January 2024, the Board of Directors decided to authorise the issue of up to €1 billion of new bonds in 2024. The Board of Directors also:

- confirmed the characteristics of the financing programmes:
  - EMTNs with a maximum outstanding amount of €60 billion;
  - NEU MTN with maximum outstandings of €10 billion;
  - NEU CP with maximum outstandings of €18 billion;
- confirmed the characteristics of the liquidity buffer:
  - 2.5 billion and adjusted daily in line with forecast disbursements;
  - invested by applying precise prudential rules.

These legislative provisions and the decisions taken by the Board of Directors have enabled Unédic to carry out its 2024 financing programme. An issue of one billion euros with a 10-year maturity (25 November 2034) was made on 24 April at a rate of 3.192%.

## In 2024, Unédic will continue to help workers make secure career transitions

During the waiting period, Unédic's missions are maintained. The signing of the tripartite agreement between the State, Unédic and France Travail confirms its full role in the governance of the operator.

Unédic will continue to carry out studies and analyses on Unemployment Insurance in order to inform and enlighten the social partners and the French people. Unédic will continue to provide security for Unemployment Insurance rules and to ensure that they are properly applied in all regions.

Unédic will continue to guarantee the financing of the scheme so that jobseekers receive their benefits each month. Unédic will therefore continue to manage the Unemployment Insurance scheme in order to ensure that working people's career transitions are secure.

# FINANCIAL STATEMENTS

## BALANCE SHEET - ASSETS - UNÉDIC ASSOCIATION

In millions of euros	2023	2022
<b>FIXED ASSETS</b>	<b>33.1</b>	<b>33.3</b>
Intangible assets	5.6	1.9
Tangible assets	13.7	16.0
Non-current financial assets	13.7	15.4
<b>CURRENT ASSETS</b>	<b>9,424.6</b>	<b>9,099.6</b>
Receivables:	5,134.3	4,991.4
- Recipients	474.4	452.9
- Affiliates	4,659.9	4,538.5
Other receivables	490.2	382.2
Marketable securities	2,562.9	2,034.8
Cash and cash equivalents	1,160.3	1,667.1
Prepaid expenses	76.9	24.1
Deferred expenses	50.5	58.1
Bond redemption premiums	96.6	114.4
<b>TOTAL ASSETS</b>	<b>9,604.8</b>	<b>9,305.5</b>

## BALANCE SHEET - EQUITY AND LIABILITIES - UNÉDIC ASSOCIATION

In millions of euros	2023	2022
<b>NET SITUATION</b>	<b>- 58,219.6</b>	<b>- 59,755.2</b>
Reserves	0.8	0.8
Retained loss	- 59,756.0	- 63,185.8
Net profit	1,535.6	3,429.8
<b>Provisions for contingencies and expenses</b>	<b>124.0</b>	<b>108.0</b>
<b>DEBTS</b>	<b>67,449.3</b>	<b>68,644.8</b>
Loans and borrowings :	63,214.5	64,617.8
- Bond issues	48,946.9	51,709.1
- Other loans and borrowings	14,267.5	12,905.5
- Short-term bank facilities	0.0	2.8
- Other borrowings	0.0	0.3
Other liabilities :	4,234.9	4,027.0
- Affiliates	282.9	271.6
- Recipients	3,041.5	2,809.7
- Tax and social security	136.9	129.4
- Suppliers	7.6	10.1
- State	48.7	71.3
- Other	717.3	734.9
<b>Accruals accounts</b>	<b>251.0</b>	<b>307.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,604.8</b>	<b>9,305.5</b>

## INCOME STATEMENT – UNÉDIC ASSOCIATION

### PROFIT AND LOSS ACCOUNT

In millions of euros

2023

2022

TECHNICAL MANAGEMENT		
Income	44,249.4	44,880.2
Contributions	43,941.8	43,347.9
Other income	20.1	13.1
Reversals of provisions	28.2	1,267.3
Expense transfers	259.3	251.9
Expenses	42,261.5	41,127.2
Back-to-work allowance (ARE)	31,102.1	29,517.8
Other benefits	3,030.6	2,763.0
Reclassification assistance	819.2	745.1
Validation of retirement points	2,397.5	2,228.7
Partial activity	94.5	195.2
Other expenses	4,700.9	5,487.5
Charges to provisions	116.7	189.9
<b>Underwriting result</b>	<b>1,987.9</b>	<b>3,753.0</b>
ADMINISTRATIVE MANAGEMENT		
Products	46.0	47.0
Provision of services	42.9	39.8
Other products	3.2	7.2
Expenses	83.2	81.4
Purchasing	.5	0.6
External services	33.9	32.4
Taxes	4.3	4.1
Salaries and social security	31.6	29.8
Other expenses	0.1	0.0
Depreciation, amortisation and provisions	12.9	14.5
<b>Administrative result</b>	<b>- 37.2</b>	<b>- 34.5</b>
FINANCIAL MANAGEMENT		
Financial income	224.4	135.3
Financial expenses	637.3	434.7
<b>Net financial</b>	<b>- 412.9</b>	<b>- 299.4</b>
EXCEPTIONAL OPERATIONS		
Technical management	0.0	0.0
Administrative management	1.5	12.1
<b>Exceptional items</b>	<b>1.5</b>	<b>12.1</b>
<b>Corporation tax and similar taxes</b>	<b>- 3.7</b>	<b>- 1.5</b>
<b>RESULT</b>	<b>1,535.6</b>	<b>3,429.8</b>



# APPENDIX

Unédic is the joint association that manages Unemployment Insurance in France. It is governed by the social partners, with a Board of Directors and an Executive 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 secure the rules governing compensation and to ensure and guarantee the financing of benefits payable by the Unemployment Insurance scheme. Unédic mainly finances the benefits paid to jobseekers, the contribution to supplementary pensions for recipients and the financing of France Travail. Since the beginning of March 2020, Unédic has also been responsible for financing the partial activity scheme alongside the State. This expenditure, which was significant during the crisis in 2020 and 2021, has become less so since 2022.

At 31 December 2023, Unédic had 340 employees: 117 specialised in managing the unemployment insurance scheme and 223 specialised in managing the wage guarantee scheme.

Unédic's net administrative management expenses amounted to 37.2 million euros in 2023 (taking into account the management of Unédic's property assets and allocations to trade unions and employers' organisations). The AGS management mandate is neutral in Unédic's accounts, since the associated costs are re-invoiced to it (42 million euros).

# 1. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The years 2020 and 2021 were marked by significant deficits for the Unemployment Insurance, due in particular to the financing of emergency measures aimed at securing the economy in the face of the constraints associated with crisis management at Covid-19.

The year 2022 marked a return to a positive financial situation for Unédic, thanks to buoyant revenues from the rebound in the wage bill, and a reduction in expenditure linked to the fall in the unemployment rate and above all to the end of the various emergency measures.

In 2023, the favourable financial trajectory is confirmed. GDP grew by 0.9% (after +2.5% in 2022), mainly thanks to the gains made at the end of the previous year and a one-off increase in activity in the 2<sup>nd</sup> quarter of 2023 (+0.7% quarter-on-quarter).

In view of the increases in the active population, linked in particular to the entry into force of the pension reform on the 1<sup>st</sup> September 2023, and the lower number of jobs created, the number of people receiving unemployment benefit will rise slightly in 2023 (2.6 million after 2.5 million at the end of 2022).

## Partial non-compensation of the Réduction Générale

On 27 December 2023, a decree published in the Journal Officiel set the amount to be deducted by the State from the Unemployment Insurance scheme: €2.0 billion in 2023. This levy has resulted in partial non-compensation for general reductions.

Unédic's 2023 result is therefore €1,536 million.

In the absence of the partial non-compensation of the Réduction Générale, Unédic's 2023 result would have been €3,536 million, comparable to the 2022 result (€3,430 million).

In millions of euros	FINANCIAL YEAR 2023	FINANCIAL YEAR 2023 before non-compensation	FINANCIAL YEAR 2022
<b>Net profit for the year</b>	<b>1,536</b>	3,536	3,430

Although the State announced that the purpose of this partial non-compensation was to finance France Compétences and France Travail, and that it gave rise to a cash payment from Unédic of €2 billion to the Urssaf Caisse nationale at the very end of 2023, the absence of any mention of the destination of the funds in the legal texts meant that this deduction could not be reflected in the scheme's expenses.

This levy is therefore presented in Unédic's 2023 financial statements as a deduction from the main contributions, which makes it difficult to interpret the Unemployment Insurance income recorded in the income statement, particularly in relation to the economic situation in France.

In millions of euros	2022	2023
Main contributions and other funding (including CSG):	42,986	<b>43,383</b>
- Main contributions	22,070	<b>23,241</b>
- CSG activity	16,042	<b>16,723</b>
- Exemption Réduction Générale	4,492	<b>4,984</b>
- Partial non-compensation general relief		<b>- 2,000</b>
- Specific exemptions	368	<b>407</b>
- Health crisis exemption	12	<b>29</b>
Specific contributions	362	<b>558</b>
Other products	1,532	<b>308</b>
<b>Total technical income</b>	<b>44,880</b>	<b>44,249</b>
ARE	- 29,517	<b>- 31,102</b>
Other allocation	- 2,763	<b>- 3,031</b>
Outplacement assistance	- 745	<b>- 819</b>
Validation of pension points	- 2,229	<b>- 2,398</b>
Contributions 11% Pôle emploi	- 3,924	<b>- 4,334</b>
Financing partial activity	- 195	<b>- 95</b>
Other expenses	- 1,753	<b>- 484</b>
<b>Total technical expenses</b>	<b>- 41,127</b>	<b>- 42,261</b>
<b>Technical management result</b>	<b>3,753</b>	<b>1,988</b>
<b>Administrative management result</b>	<b>- 34</b>	<b>- 37</b>
<b>Financial result</b>	<b>- 299</b>	<b>- 413</b>
<b>Exceptional items</b>	<b>12</b>	<b>2</b>
Corporation tax	- 1	<b>- 4</b>
<b>NET INCOME</b>	<b>3,430</b>	<b>1,536</b>

Despite the partial non-compensation of the Réduction Générale and the rise in unemployment in 2023, the net result of the Unemployment Insurance scheme will remain positive in 2023. This favourable trajectory for net income means that Unédic can continue to reduce its debt.

However, interest expenses have increased. After two years of strong demand on the financial markets in response to the needs arising from the Covid-19 crisis in 2020 and 2021, Unédic's medium- and long-term financing programmes fell sharply from 2022 onwards, in line with the return to balance of the Unemployment Insurance accounts. Unédic issued €1.0 billion of new Social Bond debt in 2022 and 2023 and repaid €4.1 billion and €3.8 billion of medium- and long-term debt respectively. However, while in 2022 the repayment was made using the scheme's own resources, this was not the case in 2023. In fact, the change in cash was positive but less than the amount of bond redemptions for the same year, due in particular to the partial non-compensation of general tax relief amounting to 2.0 billion euros at the end of the year.

The year 2023 saw a continuation of the monetary tightening begun in 2022 in the world's major economic zones, with the aim of curbing inflation. In the eurozone, the European Central Bank (ECB) continued to raise its key rates until the September 2023 monetary policy meeting, taking the deposit rate to 4.00%. In total, key rates in the eurozone have risen by 450 basis points since the start of monetary tightening in July 2022.

## 1.1 – LEGAL AND REGULATORY MEASURES

### 1.1.1 – Law of 21 December 2022 on emergency measures relating to the operation of the full-employment labour market

#### **Extension of the waiting period regime by the introduction of a derogation regime (Act of 21 December 2022 on emergency measures relating to the functioning of the labour market – full employment)**

Law no. 2022-1598 of 21 December 2022 introduced a derogation system, authorising the State to determine, via a decree in the Council of State (see 1.1.2 – Introduction of the principle of counter-cyclicality in the Labour Code and the decree of 26 January 2023 issued in the context of the derogation system), issued after ad hoc consultation with the social partners, the rules relating to compensation and the financing of the system, i.e. the general Unemployment Insurance regulations and their annexes (including annexes VIII and X) no later than 31 December 2023 (31 July 2024 for the bonus-malus). This derogation extended the effects of the waiting period following the failure of negotiations between the social partners in February 2019. As a reminder, this waiting period resulted in the Government issuing a decree in the Council of State in July 2019 to define the Unemployment Insurance rules, in accordance with the last paragraph of article L. 5422-20 of the French Labour Code.

### 1.1.2 – Introduction of the principle of countercyclicality in the Labour Code and the decree of 26 January 2023 issued under the derogation scheme

The Act of 21 December 2022 introduced the possibility of adjusting, taking into account economic indicators relating to employment and the functioning of the labour market, the conditions of affiliation required for the opening or topping-up of rights, as well as the duration of Unemployment Insurance benefit (new article L. 5422-2-2 of the Labour Code).

On the basis of this law, decree no. 2023-33 of 26 January 2023 amended the Unemployment Insurance regulations by introducing a modulation of the duration of compensation for jobseekers according to the state of the labour market, resulting for recipients whose employment contract ends on or after 1<sup>st</sup> February 2023:

- a reduction in the duration of compensation by applying a coefficient of 0.75 to the duration of compensation. A minimum duration of compensation is set at 6 months; and
- a possible “additional” period of compensation paid in the form of an end-of-rights supplement (CFD), consisting of extending the duration of compensation for recipients reaching the end of their entitlement in the event of unfavourable economic conditions (i.e. if the unemployment rate as defined by the ILO reaches or exceeds 9%, or if it increases by 0.8 points over a quarter). This extension can never exceed the maximum duration applicable before the reform.

The decree of 26 January 2023 also introduced the following measures:

- a training completion supplement (CFF), in the event of completion of a training course leading to a qualification lasting at least 6 months and included in the PPAE (personalised project for access to employment) which has not been completed by the date on which entitlement ends. This constitutes an extension of the period of compensation until the end of the training. This extension can never exceed the maximum duration applicable before the reform;
- an increase in the rate of ARCE (aid for taking over and starting a business) to 60% (from 45%) of the remaining capital entitlement, for recipients whose employment contract ends on or after 1<sup>st</sup> July 2023, so as not to degrade the principles for calculating the capital entitlement of ARCE as a result of the reduction in the duration of compensation.

This reform does not apply to certain employees covered by other regulations (in particular those working in the entertainment industry and those benefiting from the CSP), or to residents of an overseas department or collectivity.

### 1.1.3 – No compensation for employees who abandon their post

The law of 21 December 2022 introduced a presumption of resignation in the event of the voluntary abandonment of a post by an employee who has been given formal notice by the employer to justify his absence and return to his post (new article L. 1237-1-1 of the Labour Code). Decree no. 2023-275 of 17 April 2023 specifies the conditions for implementing this presumption.

As a result, from 19 April 2023, an employee who abandons his or her post and is presumed to have resigned will no longer be entitled to compensation under the Unemployment Insurance scheme.

### 1.1.4 – No compensation for employees on fixed-term or temporary contracts if they repeatedly refuse a permanent contract

The law of 21 December 2022 stipulates that a jobseeker who has twice in the previous 12 months refused an offer to convert a fixed-term contract into an open-ended contract will lose the benefit of unemployment insurance (article L. 5422-1 of the Labour Code).

The regulations enabling this measure to come into force on 1<sup>st</sup> January 2024 have been published (decree no. 2023-1307 of 28 December 2023; order of 3 January 2024).

As a result, from the 1<sup>st</sup> January 2024, employers who offer a permanent contract to an employee on a fixed-term contract at the end of the contract to take up the same or an equivalent job must notify the employee of this offer in writing. If the offer is refused, it is up to the employer to inform the France Travail operator.

In 2024, employers must use the [www.demarches-simplifiees.fr](http://www.demarches-simplifiees.fr) platform. (In 2025, it is planned that the employer attestation will specify that there has been an “end of fixed-term contract” in the context of a “refusal of permanent contract”).

In return, the France Travail operator informs the employee of this notification and of the consequences of the refusal on entitlement to the ARE. Please note that the link to the data transmission platform is available on the Pôle emploi website.

The same procedure applies to user companies that offer permanent contracts to the temporary workers they employ.

The flow of information to France Travail is intended to enable the implementation of another legislative provision also resulting from the law of 21 December 2022, which provides for the absence of ARE compensation for employees who have refused a permanent contract twice in the same 12-month period. In other words, if the France Travail operator finds, during an examination to determine entitlement to ARE or a top-up, that the jobseeker has twice refused a permanent contract following the end of a fixed-term contract (or assignment contract) during the previous 12 months, ARE compensation must be refused or withdrawn. There are two exceptions to this principle of “ARE rejection”, allowing the ARE to be paid (compensation may be paid if the jobseeker has had an open-ended contract for the last 12 months or if the last proposal sent to the jobseeker does not comply with the criteria set out in the PPAE if the PPAE was drawn up before the date of the last refusal).

### 1.1.5 – Conclusion of the Unemployment Insurance agreement of 27 November 2023

Negotiating within the framework of a framework document sent by the Prime Minister to the social partners in charge of the governance and management of the Unemployment Insurance on 1<sup>st</sup> August 2023, they concluded a memorandum of understanding on Unemployment Insurance on 10 November 2023.

This agreement was transcribed into an Unemployment Insurance agreement, signed on 27 November 2023, to which are appended the texts required for its application (general rules, annexes). All of these texts have been sent to the Prime Minister for approval.

However, the State has suspended the approval procedure pending further information on so-called senior beneficiaries following the national inter-professional negotiations on the “*Pacte de la vie au travail*” (“Life at Work Pact”), which includes a section on the employment of senior citizens (see 3.1 – Failure of the national inter-professional negotiations on the “*Pacte de la vie au travail*” (“Life at Work Pact”) and the rider to the Unemployment Insurance agreement of 27 November 2023).

### 1.1.6 – Decree extending the State's jurisdiction

Pending approval of the new Unemployment Insurance agreement, the rules issued in the 2019 waiting period decree, as modified at the beginning of 2023 by the measures to reduce the duration of compensation and counter-cyclicalities, were extended identically by a so-called "junction decree" no. 2023-1230 of 21 December 2023. This extension expires on 30 June 2024 at the latest.

### 1.1.7 – Law no. 2023-1196 of 18 December 2023 for full employment

The measures set out in Act no. 2023-1196 of 18 December 2023 will come into force on 1<sup>st</sup> January 2024 or 1<sup>st</sup> January 2025, including the transformation of Pôle emploi into the France Travail operator (see 3.2 – Act no. 2023-1196 of 18 December 2023 for full employment).

### 1.1.8 – Measures relating to contributions

#### Bonus-malus

Under the bonus-malus system, employers with 11 or more employees in certain business sectors (as defined by ministerial decree) can vary the rate of the 4.05% employer's Unemployment Insurance contribution between 3% (bonus) and 5.05% (malus), depending on the number of terminations of employment contracts attributable to the company and giving rise to registration with Pôle emploi.

The bonus-malus has applied since 1<sup>st</sup> September 2022. A new one-year modulation cycle began on 1<sup>st</sup> September 2023, and a decree dated 25 August 2023 determined the median separation rates per sector used by Urssaf to calculate the bonus-malus.

Employers may now ask Urssaf or CCMSA for a list of former employees affected by terminations for which the company is responsible and who have registered on the jobseekers' list (decree no. 2023-635 of 20 July 2023).

In addition, in order to maintain the full benefit of the bonus, decree no. 2023-801 of 21 August 2023 adapted the methods for calculating the general degressive reduction in social security contributions for employers who benefit from a reduced rate of patronal unemployment insurance contribution. In particular, this decree specifies that, for these employers, the total amount of reductions may exceed the amount of contributions actually due, without exceeding the amount of contributions eligible for the RGC (i.e. with a rate of 4.05%). These provisions apply retroactively from 1<sup>st</sup> September 2022.

### New compensation arrangements for the general reduction in employer contributions

In October 2019, employers' Unemployment Insurance contributions were incorporated into the general reduction in employer contributions under Article 9 of the LFSS for 2018. They were accompanied by a legal compensation mechanism provided by AcoSS (art. L. 225-1-1, 7<sup>o</sup> bis of the Social Security Code), and specified by a Unédic-AcoSS-CCMSA-Pôle emploi agreement of 23 January 2019, which sets out the terms and conditions of full compensation for the loss of revenue resulting from the deduction of the general reduction in contributions from the employer's Unemployment Insurance contribution.

Until 2022, compensation for the reduction in the Unemployment Insurance contribution was provided in full. Since 2023, under article 16 of the LFSS for 2024, this compensation is now provided "within the limit of an amount set by order of the ministers responsible for labour, social security and the budget" (art. L. 225-1-1, 7<sup>o</sup> bis of the amended Social Security Code).

Pursuant to this decree, published on 28 December 2023, the amount compensated in 2023 for the deduction of the general exemption from the employer's Unemployment Insurance contribution has been reduced by €2 billion (see 2.4.1.1 – Exemption mechanisms compensated by the State).

This "levy" therefore resulted in partial non-compensation for general tax relief in 2023. Although the State announced that the purpose of this partial non-compensation was to finance France Compétences and France Travail, and although it gave rise to a cash payment by Unédic of €2 billion to the Urssaf Caisse nationale at the very end of 2023, the absence of any mention of the destination of the funds in the legal texts meant that this levy could not be reflected in the scheme's expenses. This levy is therefore presented in Unédic's 2023 financial statements as a deduction from the main contributions, which makes it difficult to read, particularly with regard to changes in income from the private sector wage bill and earned income (employer contributions and CSG activity), but also with regard to the basis determining the financing of France Travail's operating expenses in future years. The provisions of article L. 5422-24 of the French Labour Code specify that the funding is determined before application of the exemptions and reductions applicable to these contributions. The situation will take effect from the 2025 financial year.

The following presentation of income and expenses is a more transparent reflection of the reality of the management effects of the State's recent decisions:

In millions of euros	2022	2023 restated
Main contributions and other funding (including CSG)	42,986	45,383 *
Specific contributions	362	558
Other products	1,532	308
<b>Total technical income</b>	<b>44,880</b>	<b>46,249 *</b>
ARE	- 29,517	- 31,102
Other allocations	- 2,763	- 3,031
Outplacement assistance	- 745	- 819
Validation of pension points	- 2,229	- 2,398
<b>Funding for France Compétences and France Travail</b>	<b>0 *</b>	<b>- 2,000 *</b>
Contributions 11% Pôle emploi	- 3,924	- 4,334
Financing partial activity	- 195	- 95
Other expenses	- 1,753	- 484
<b>Total technical expenses</b>	<b>- 41,127</b>	<b>- 44,261 *</b>
<b>Technical management result</b>	<b>3,753</b>	<b>1,988</b>
<b>Administrative management result</b>	<b>- 34</b>	<b>- 37</b>
<b>Financial result</b>	<b>- 299</b>	<b>- 413</b>
<b>Exceptional items</b>	<b>12</b>	<b>2</b>
Corporation tax	- 1	- 4
<b>NET INCOME</b>	<b>3,430</b>	<b>1,536</b>

\* Extra-accounting restatement

## 1.2 – STATE-UNÉDIC JOINT SYSTEMS

### 1.2.1 – Partial activity

Since the Covid-19 epidemic, there have been major changes in the way partial activity is funded by the State and Unédic.

In rider no. 1 dated 18 December 2020 to the agreement between the State and Unédic dated 1<sup>st</sup> November 2014, the State and Unédic agreed to set their contributions to the funding of the scheme at 67% and 33% respectively of the benefits paid. Three other riders to the agreement extended these funding arrangements until 31 December 2023 (rider no. 2 dated 16 June 2021, rider no. 3 dated 3 January 2022 and rider no. 4 dated 30 November 2022). Rider no. 1 also provided for the possibility of Unédic auditing the ASP, as well as data exchange procedures to ensure the steering and financial monitoring of the scheme.

From 1<sup>st</sup> April 2022, the common law rates applicable to all companies will be as follows: indemnity and allowance equal respectively to 60% and 36% of gross hourly pay, limited to 4.5 Smic.

In addition, a specific system of long-term partial activity (APLD) has applied since 1<sup>st</sup> July 2020. The implementation of this scheme is conditional on the conclusion of a collective agreement including, in particular, commitments to maintain employment and validated beforehand by the administrative authority. Initially applicable for a period of 24 consecutive or non-consecutive months over a 36-month period, and limited to agreements submitted to the administrative authority for validation by 30 June 2022 at the latest, these arrangements have been adapted to deal with the economic consequences of the war in Ukraine. As a result, use of the scheme is now authorised for a period of 36 consecutive or non-consecutive months over a period of 48 months, while the deadline for submitting unilateral agreements and documents has been extended to 31 December 2022.

If the APLD is used, the reduction in employees' working time is limited to 40% of the legal working time. The indemnity and the partial activity allowance are respectively increased to 70% and 60% of the gross hourly reference pay (limited to 4.5 Smic).

Lastly, the operational procedures for payment of Unédic's contribution to the ASP are set out in rider no. 1 of 24 February 2021 to the Unédic-ASP agreement of 24 February 2015. It should be noted that the sums wrongly called up from Unédic in respect of the exceptional aid granted to companies welcoming the public, in respect of paid leave taken by their employees between 1<sup>st</sup> January and 7 March 2021, will be reimbursed in full in accordance with subsequent procedures.

In 2021, expenses were still at a high level (2.6 billion). These expenses, which had fallen sharply in 2022 (to 195 million euros), fell further in 2023 to 95 million euros in Unédic's accounts (82 million euros in net expenditure, with the reversal of accrued expenses and provisions for expenses in 2022 of 21 million euros and approximately 13 million euros in accrued expenses in 2023). In addition, the amount of off-balance sheet commitments relating to this scheme amounts to 17 million euros for the Unédic share (33%) (see 6.5 – Off-balance sheet commitments relating to partial activity).



### 1.2.2 – The Career Safeguarding Contract (CSP)

As the CSP agreement expires on 31 December 2022, in application of rider no. 5 of 28 June 2021 (no. 2 for Mayotte), the social partners have concluded a rider no. 6 (no. 3 for Mayotte) dated 24 November 2022, applicable to redundancy procedures initiated from 1<sup>st</sup> January 2023 and ensuring the continuity of the scheme until 31 March 2023 at the latest.

The CSP agreement was then extended until 31 December 2023 by amendment no. 7 (no. 4 for Mayotte) signed on 15 March 2023 and applicable, with certain exceptions, to redundancy procedures initiated from 1<sup>st</sup> 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 modulation of the duration of payment of the back-to-work allowance (ARE) according to changes in the unemployment rate, which is not applicable during the CSP period.

### 1.3 – FUNDING OF THE UNEMPLOYMENT INSURANCE

Since 2008, Unédic's debt has increased from €5 billion in 2008 to €63.6 billion at the end of 2021 (excluding accrued interest). This increase has enabled the Unemployment Insurance scheme to maintain a level of compensation equivalent to that guaranteed in the most protective European countries, without adversely affecting either employees' purchasing power or the cost of labour.

After returning to surplus in 2022, Unédic's financial position will remain positive in 2023. Despite sluggish growth and a sluggish labour market, Unédic will continue to reduce its debt in 2023, albeit at a slower pace. As a result, its debt will be €59.1 billion at the end of 2023 (excluding accrued interest), compared with €60.7 billion at the end of 2022.

Given the counter-cyclical role of the Unemployment Insurance, Unédic's debt is built up when the economic situation deteriorates, particularly when interest rates are low. In recent years, the particularly favourable level of the reference rates on which the interest rates on Unédic's borrowings are calculated can be explained by:

- the implementation of accommodative monetary policies by the European Central Bank (ECB) between 2015 and 2022, and in particular the Pandemic Emergency Purchase Programme (PEPP) to support the markets during the Covid-19 crisis;
- the ability of the social partners to put in place a financing strategy that can be understood by investors and Unédic's stakeholders.

The aim of the financing strategy implemented since 2009 has been to limit the impact of rising interest rates (which materialised in 2022 with the end of the ECB's accommodating monetary policies: increase in key rates, end of quantitative easing *via* the purchase of securities on the financial markets, etc.) on Unédic's debt servicing costs. All borrowings are at fixed rates and in euros, thereby limiting Unédic's exposure to market risks.

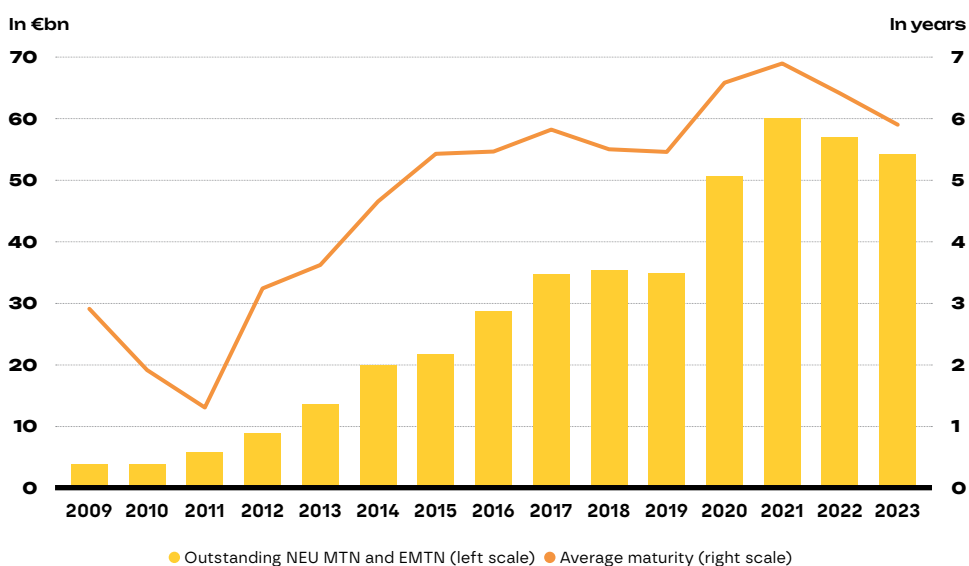
Until the end of 2019, the successive financing programmes were carried out in such a way that Unédic's debt maturity schedule did not include any year in which loan repayments exceeded 10% of its revenues. In order to comply with this constraint, Unédic has lengthened the average maturity of its debt, in particular by increasing the maximum maturity at issue several times (set at 15 years since 2017).

In 2020 and 2021, as a result of the crisis, Unédic's outstanding medium- and long-term debt increased substantially (from €34.85 billion at the end of 2019 to €59.85 billion at the end of 2021). As a result, it has been decided to continue this strategy of extending the average maturity of the outstanding debt in order to limit the risks of:

- refinancing, by spreading the maturity dates over the Unédic debt schedule to limit the amount of annual repayments;
- rising interest rates by taking advantage of the low interest rate environment to issue bonds with long maturities.

In 2022 and 2023, the return to surplus and the reduced recourse to debt issuance on the financial markets led to a reduction in medium- and long-term debt outstanding from €59.85 billion at the end of 2021 to €54.75 billion at the end of 2023. Over the same period, the average maturity of outstanding medium- and long-term debt has fallen from 6 years and 11 months to 5 years and 11 months, reflecting the ageing of the stock.

### CHANGES IN THE STRUCTURE OF UNÉDIC'S MEDIUM- AND LONG-TERM DEBT



The loans issued as part of this strategy until 2021 and the start of Unédic's debt reduction, resulting in limited recourse to new loans from 2022 onwards (€1 billion of bond issues in 2022 and 2023), have made it possible to limit the cost of debt despite the sharp rise in rates observed on the markets since 2022. As a result, the average interest rate (weighted by daily outstandings) paid on borrowings was 0.910% in 2023 after 0.495% in 2022. This increase is mainly due to the continuing high mobilisation of the short-term financing programme (NEU CP), whose issue rates are correlated to the key ECB rates, which have themselves been raised by 200 basis points in 2023, with the interest rate on ECB deposits rising from 2% to 4%. Net financial expenses amounted to €412.9 million.

### DEBT AT YEAR-END (EXCLUDING ACCRUED INTEREST) AND FINANCIAL EXPENSES FOR THE PERIOD 2016-2023

In millions of euros	2016	2017	2018	2019	2020	2021	2022	2023
Net debt (at 31/12)	29,758	33,549	35,540	36,815	54,611	63,639	60,714	<b>59,303</b>
Net financial expense	324	352	365	334	315	303	299	<b>413</b>
Net interest expense to net debt ratio	1.09 %	1.11 %	1.03 %	0.91 %	0.58 %	0.48 %	0.49 %	<b>0.69 %</b>

At year end 2023, Unédic's net debt stood at €59.303 billion, i.e.:

<b>TOTAL DEBT</b>	<b>€63.017 billion</b>
Bond issues	€48.750 billion
NEU MTN	€5.250 billion
NEU CP	€9.017 billion
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>€3.714 billion</b>
Investments	€2.563 billion
Bank balances	€0.114 billion
French Treasury account	€1.037 billion

### 1.3.1 – Bonds and bank borrowings

The maximum amount outstanding on the EMTN (Euro Medium Term Notes) programme has been maintained at €60 billion in 2023. The ceiling for the EMTN programme was increased to €60 billion by the Board of Directors' decision of 28 January 2021 (it was €50 billion at the end of 2020 and €34 billion at the end of 2019).

In view of the constraints imposed by article 213-15 of the French Monetary and Financial Code governing bond issues for associations on the financial markets, Unédic has requested a State guarantee. The Finance Act for 2023, published on 30 December 2022, granted the State guarantee for loans taken out by Unédic during the year 2023, in principal and interest, up to an overall ceiling of €1 billion to cover bond repayments of €3.75 billion in particular, but also to reduce Unédic's outstanding short-term debt while maintaining Unédic's presence on the bond markets.

A single bond issue was carried out under Unédic's EMTN programme, which is explicitly guaranteed by the French government, for an amount of one billion euros:

	<b>Issue amount (in € million)</b>	<b>Maturity</b>	<b>OAT (1)</b>	<b>Risk premium (2)</b>	<b>Share premium (3)</b>	<b>Actual financing rate (1+2+3)</b>
<b>EMTN 34.1</b>	1,000	10 years	2.956 %	0.190 %	0.010 %	<b>3.156 %</b>

This issue benefited from the rating assigned to Unédic by the rating agencies Fitch Ratings (AA) and Moody's (Aa2) at the time of issue.

However, on 12 May 2023, Fitch Ratings downgraded the long-term ratings of 27 French public sector entities linked to the French state, including Unédic, following the downgrading of the sovereign rating to AA-. On 28 April, Moody's maintained its Aa2 rating.

### 1.3.2 – NEU MTN (formerly Medium-Term Notes)

The implementation of a €3 billion BMTN (Negotiable medium-term notes) programme was authorised by the Board of Directors' decision of 27 June 2014, in order to reduce the outstanding commercial paper and extend the average maturity of the Unemployment Insurance debt. The maximum outstanding amount of the programme and the authorised maturity were successively increased to a maximum of €10 billion and 7 years respectively. In view of the improvement in Unédic's financial situation in 2021, the Board of Directors decided on 29 June 2021 to reduce the maximum maturity to 5 years.

In 2016, Unédic took advantage of the reform of the TCN market to create NEU MTN documentation (the new name for BMTNs) that complies with the provisions of the directive "Prospectus". The finalisation of this documentary innovation enables NEU MTN shares to be listed on Euronext.

This programme was not requested in 2023.

### 1.3.3 – NEU CP (formerly *Billets de Trésorerie*)

The use of this method of financing for associations was authorised, subject to certain conditions, in article 37 of law no. 2003-706 of 1<sup>st</sup> August 2003. The maximum outstanding amount of €1.2 billion in 2004 was gradually increased to reach a ceiling of €12 billion authorised by the Board of Directors in June 2012 and then reduced to €10 billion in January 2016 following decisions by the Board of Directors. The total amount outstanding under the programme on 31 December 2019 was €6.23 billion.

In 2020, Unédic's NEU CP programme was the first to be called upon to finance the sudden and substantial increase in cash requirements during the first lock-up period between March and May. Outstanding short-term securities quickly reached the programme ceiling of 10 billion euros in April, and it was decided to increase this ceiling to 18 billion euros. Outstandings continued to rise rapidly until the end of May, reaching the programme ceiling of almost 18 billion euros. Unédic's medium- and long-term programmes, which were revised upwards and used from mid-May onwards, ensured continuity of financing by replacing NEU CP short-term debt issues. As a result, the amount of NEU CP securities outstanding was reduced from the summer of 2020 to €11.8 billion at the end of 2020.

In 2021, the gradual improvement in Unédic's financial position first enabled it to stabilise its outstanding short-term debt, then to reduce it at the end of the year to €7.9 billion on 31 December 2021. A return to surpluses in 2022 will further reduce outstanding NEU CP to €7.7 billion at the end of the year.

In 2023, the short-term debt programme (NEU CP) was heavily used to cover short-term cash requirements, including the partial and temporary refinancing of medium- and long-term loans maturing in April and November 2023, but also to finance the reduced compensation for the Unemployment Insurance contribution exemptions at the end of the year. The average financing rate for NEU CP's outstandings in December 2023 was +3.80% (compared with +1.30% at the end of 2022 and -0.58% at the end of 2021). Positive interest generates financial expenses, while negative interest is recorded as financial income.

Today, this NEU CP 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 were put in place to cover this programme and thus compensate for any dysfunction in the money market.

In 2012, these credit lines were replaced by a liquidity reserve of at least €2 billion, corresponding to one month's technical expenses. The level varies according to the use of the commercial paper programme and the amount of forecast disbursements (see 1.3.5 – Investments and liquid assets). This strategy has proved its worth in meeting the severe liquidity constraints of 2020, when bank credit lines could not be mobilised during previous major liquidity crises (the major financial crisis and the European sovereign liquidity crisis). It also makes it possible to avoid the high costs of credit lines (commissions, non-utilisation rates) while generating, by substitution, a positive financial result on the carrying of NEU CP debt, issued in addition to cover liquidity, and investments in liquidity cushions (see 1.3.5 – Investments and liquid assets).

Since the liquidity reserve was set up, Unédic's financial parameters have changed, particularly in line with inflation and wage trends. It was therefore decided by Unédic's Board of Directors at the beginning of 2023 to adjust the management parameters of the liquidity cushion accordingly, in particular by increasing its minimum amount to €2.5 billion in line with inflation over the period.

The amount of the liquidity cushion is now defined as the higher of:

→ the sum of:

- 100% of forecast disbursements (technical and third-party) over the next 10 calendar days; and
- 100% of maturities of long-term government-guaranteed bonds (EMTN) and medium-term bonds (NEU MTN) over the next 10 calendar days; and
- 50 % of maturities of short-term debt (NEU CP) over the next 10 calendar days.

or

→ one month's technical expenditure, i.e. €2.5 billion.

The same Board of Directors decided to modify the characteristics of the investment vehicles of the liquidity cushion in this new context of managing a treasury that is gradually being built up over the months. In order to boost the return on Unédic's cash, it was therefore appropriate to add the following criteria to the financial decisions relating to investment management, in addition to those already in place:

→ liquidity enabling assets to be recovered within 5 working days;

→ support type:

- Long-term cash fund;
- Bond SICAV.

Following these additions, the investment criteria for Unédic's liquidity reserve are as follows:

→ support type:

- Treasury account,
- bank account,
- Money market fund,
- Long-term cash fund,
- Bond SICAV;

→ support free of any entry or exit fees;

→ liquidity enabling assets invested to be recovered within 5 days;

→ maximum holdings ratio of 10% of a SICAV;

→ give preference to ESG investments among the supports available within the constraints of liquidity and diversification;

→ securities issued by French public sector entities treated by the ACPR as central government bodies.

### 1.3.4 – Bank financing – overdrafts

Very short-term financing needs are covered in the form of bank overdrafts negotiated by mutual agreement with Unédic's banking partners (around €1 billion negotiated).

None of these overdraft facilities was used for significant amounts during the 2023 financial year.

### 1.3.5 – Investments and cash

In 2023, Unédic's average daily liquidity cushion will be €5.2 billion.

As a reminder, following the publication of the social issuing framework document in May 2020, Unédic made a best effort commitment to invest its cash in responsible vehicles. As a result, monitoring of funds with the SRI label awarded by the Ministry of the Economy and Finance has been set up.

At the end of 2020, all of Unédic's cash reserves invested in money market funds were in funds with the SRI label. This was also the case in 2021, 2022 and 2023.

Unédic's total outstanding investments at the end of 2023 were 3.7 billion euros (stable compared with the end of 2022).

The average rate of return on cash and cash equivalents in December 2023 was +3.89% (compared with +1.96% at end-2022 and a "negative return" of -0.45% at end-2021), up sharply as a result of the rise in market rates mentioned above. The positive return generates financial income, while the negative return is recognised as a financial expense.

## 1.4 – RELATIONS BETWEEN PÔLE EMPLOI AND UNÉDIC

The tripartite agreement between the State, Unédic and Pôle emploi (which will become France Travail in 2024), provided for by law, sets the strategic objectives for the operator's service offering and action, defines the resources available to it and determines the tools for steering its performance.

The 2019-2022 agreement was signed on 20 December 2019. It sets three strategic guidelines for Pôle emploi:

- speeding up and facilitating jobseekers' return to sustainable employment, by tailoring and intensifying support to the needs of each individual throughout their career;
- combat recruitment difficulties in companies more effectively, by providing a personalised, responsive response to the needs of companies, particularly small and medium-sized enterprises (SMEs);
- to develop and enhance the skills and qualifications of jobseekers in order to encourage recruitment, in particular by offering training that is more relevant, more personalised, easier to understand and more rapidly accessible.

The financial relations relating to the implementation of this agreement are the subject of an annual cash flow agreement between Unédic and Pôle emploi (which will become France Travail in 2024), which specifies the amount and terms of payment of the contribution due by Unédic in accordance with the law (for 2024, the agreement was signed at the end of March 2024). Until 31 December 2019, this contribution was set at 10% of Unédic's resources for the year N-2.

In accordance with Decree no. 2019-797 of 26 July 2019 on the Unemployment Insurance scheme, for the year 2023, Unédic's annual contribution to Pôle emploi's budget is set at 11% of Unédic's resources for the year N-2 (referred to in Articles L. 5422-9, L. 5422-11 and L. 5422-20 of the French Labour Code).

This will result in a technical management charge of 4.3 billion euros over the 2023 financial year, recognised in the income statement.

On behalf of Unédic, Pôle emploi pays benefits to beneficiaries of unemployment insurance and collects contributions for certain categories of employees. For the 2023 financial year, contributions collected by Pôle emploi amounted to €0.9 billion (excluding AGS contributions) and benefits and assistance totalled €35 billion.

An agreement between Unédic and Pôle emploi governs the implementation of this delegation of services and operational cooperation (see page 32).

In addition, the implementation of specific schemes has been entrusted to Pôle emploi under an agreement for the financing of support for members of the Career Safeguarding Contract (CSP), which followed on from the CRP and CTP schemes, with an expense of €57 million recognised in 2023 relating to support costs for the CSP.

## Unédic-Pôle emploi (which became France Travail in 2024) agreement of 21 December 2012

The bipartite agreement between Unédic and Pôle emploi signed on 21 December 2012 sets out the terms and conditions for carrying out the tasks delegated by Unédic to Pôle emploi, namely the provision of benefits and assistance financed by the Unemployment Insurance scheme for jobseekers and the collection of Unemployment Insurance contributions in respect of certain groups, in particular expatriates and entertainment workers.

The procedures for exercising these delegations have been designed to ensure complementarity between Unédic and Pôle emploi, in order to respect the roles and responsibilities of their respective decision-making bodies.

The text is faithful to the objectives of the multi-year agreements signed between the State, Unédic and Pôle emploi in 2011, 2014, 2019 and 2024.

It reiterates the need for performance-based management, adapted to the objectives of the social partners, in order to offer a quality service to jobseekers and companies.

The bipartite agreement sets out the procedures for monitoring the objectives, in particular *via* indicators which include the rate of first payments within the deadlines, the rate of quality of processing of benefit claims, the rate of recovery of overpayments and the rate of outstanding CSP contributions (Career Safeguarding Contract).

However, the changes that have occurred in recent years, particularly with regard to management indicators and access to data (with the tripartite agreement of 2019), comitology and, more generally, practices between the two organisations, have led Unédic to propose revising this agreement to adapt it to current realities.

In December 2022, a rider extending the 2019-2022 tripartite agreement was signed so that the objectives and resources defined in the agreement would continue to apply in 2023. In a context of transition relating to the reconfiguration of France Travail, this amendment is part of the continuity of the previous agreement. One of the first objectives was to extend the strategic guidelines 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 operators collecting Unemployment Insurance contributions and contributions to the employee debt guarantee scheme: Urssaf Caisse nationale, CCMSA, Pôle Emploi (now France Travail), the Caisse de Compensation des Services Sociaux (CCSS) in Monaco and the Caisse de Prévoyance Sociale (CPS) in Saint-Pierre-et-Miquelon.

Total receipts of contributions and other funding in 2023 amount to €43.78 billion for all operators combined, excluding AGS. This compares with total collections of €44.163 billion in 2022. The Urssaf Caisse nationale collection operator accounts for 94% of the total amount collected in respect of the Unemployment Insurance, representing €41.37 billion.

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

Similarly, the agreement of 22 February 2013 with CCMSA is currently being revised, and financial and accounting relations will be governed by a new agreement to be signed in 2024 by CCMSA, Unédic, AGS and France Travail.

This agreement will be supplemented by an amendment governing the transition to a system of repayment on the basis of sums due, in order to apply the same system as the Urssaf Caisse nationale to the CCMSA, from 2025.

The CCMSA and Pôle emploi are the two largest collection operators after the Urssaf Caisse nationale, having collected €0.93 billion and €0.92 billion respectively in 2023.

In billion of euros	Urssaf Caisse nationale	CCMSA	Pôle emploi	Other	Total Unemployment Insurance
<b>2023 collections</b>	41.37	0.93	0.92	0.57	<b>43.79</b>
<b>Share as % of total</b>	95 %	2 %	2 %	1 %	<b>100 %</b>

The law of 5 September 2018 on the freedom to choose one's professional future abolished employee Unemployment Insurance contributions (2.40%) with effect from 1<sup>st</sup> January 2019. To compensate for this abolition, the Social Security Financing Act for 2019 saw the allocation to Unédic of 1.47% of the CSG collected on earned income by the Urssaf Caisse nationale. This rate was renewed by the Social Security Financing Act for 2023.

The amount of CSG on earned income allocated to Unédic in 2023 represents a total of 16.7 billion euros (including accrued income and net of the provision for impairment of doubtful debts and the provision for product reductions).

## State-compensated exemption mechanisms

The 2019 Social Security Financing Act also provided for the extension of the general reduction in Unemployment Insurance contributions on 1<sup>st</sup> October 2019 for all employers, with the exception of certain specific types of contract, agricultural production, and employers located in the French overseas departments, Saint-Barthélemy and Saint-Martin, who have already benefited from it since 1<sup>st</sup> January 2019. Since 2023, the Urssaf Caisse nationale has provided partial compensation for the general reduction in Unemployment Insurance contributions (€2 billion repaid by the end of 2023 from Unédic to the Urssaf Caisse nationale). The amounts corresponding to this financial compensation are paid by the Urssaf Caisse nationale to Unédic.

The amount of financial compensation by the Urssaf Caisse nationale for the general reduction represents a total of €3 billion in 2023 (including accrued income), compared with €4.5 billion in 2022.

Some exemptions have not been included in the general reduction for 2019. These are targeted exemptions:

- LODEOM (Law for the Economic Development of Overseas France);
- home help;
- occasional workers - jobseekers (TO-DE);
- shipping companies;
- apprentices in the public sector outside the industrial and commercial sector.

The State's compensation to Unédic for these exemptions will total €407 million in 2023. This compensation was the subject of an agreement dated 1<sup>st</sup> March 2019, supplemented each year by an amendment signed by the government departments (Budget Department, Social Security Department and the ministries responsible for the budget programmes), the recovery operators (UCN, CCMSA and France Travail) and Unédic. The rider for 2024 stipulates that from 2025 onwards, the compensation system will be renewed annually by tacit agreement.

Finally, from 2020, in view of the health crisis linked to Covid-19, exceptional economic support measures have been put in place for employers (exemption from employers' social security contributions and assistance with the payment of social security contributions).



## 1.6 – INCREASE IN UNEMPLOYMENT BENEFITS

In February 2023, the Board of Directors exceptionally requested two annual increases. The Bureau of Unédic has asked the French government to introduce, by decree, a derogation from the Unemployment Insurance regulations that would allow an additional increase to be decided from 1<sup>st</sup> April 2023.

The decree was published on 30 March 2023 and a 1.9% increase, voted by the Unédic administrators, came into force on 1<sup>st</sup> April 2023.

At its meeting on 27 June 2023, the Unédic Board of Directors decided to increase the Unemployment Insurance benefits (including for Mayotte) by 1.9% for the second time, with effect from 1<sup>st</sup> July 2023:

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

Reference salaries have also been increased by the same rate. The revaluation applies to recipients whose reference salary is made up entirely of salaries at least 6 months old, i.e. prior to 1<sup>st</sup> January 2023.

# 2. ACCOUNTING POLICIES AND METHODS

## 2.1 - GENERAL PRINCIPLES

The annual accounts of Unédic for the financial year ending 31 December 2023, drawn up in euros and comprising the balance sheet, income statement and notes, have been prepared in accordance with the chart of accounts of the Unemployment Insurance bodies approved by the National Accounting Council on 9 January 1995 (compliance notice no. 79).

They take account of the specific features of the declaratory nature of the Unemployment Insurance scheme and the resulting consequences, both in terms of declarations by members and payments to recipients.

The signatory organisations of the agreement of 14 May 2014 (amended by the addenda of October 2014 and March 2015, extended by decree no. 2016-869 of 29 June 2016) and of the convention 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 financing the benefits paid under this scheme, attest that the Unemployment Insurance scheme is a specific pay-as-you-go scheme.

The accounts of Unédic Association include the accounts of: Unédic and Délégation Unédic-AGS.

Unédic's annual financial statements have been prepared on the basis of financial information provided by the following operators: Urssaf Caisse nationale, CCMSA, Pôle emploi (now France Travail in 2024), the services and payment agency (for the partial activity component), CCSS (Monaco), CPS (Saint-Pierre-et-Miquelon) and summarised in summary documents reflecting the transactions carried out on behalf of the Unemployment Insurance.

## 2.2 - UNEMPLOYMENT BENEFITS

### 2.2.1 - Expenses

The regulations stipulate that jobseekers must register with Pôle emploi (which became France Travail in 2024) and then provide monthly proof of their situation to avoid their entitlements being called into question. These formalities enable benefits to be paid on a monthly basis as part of technical management costs.

Under this monthly assumption, benefit expenses recognised during a financial year include only benefits paid in respect of the financial year concerned, i.e. benefits paid during the current financial year and benefits payable at the beginning of the following financial year.

As a result, in addition to the December allowances paid in January of the following year, payments may be adjusted in subsequent months. In this case, Unédic deducts an additional provision corresponding to the months of February and March N+1, relating to the previous financial year.

With regard to aid payable, the provision relates only to January N because the operative event for aid payable in 2 instalments (such as ARCE, which represents 76% of aid in 2023) is the date on which the aid is granted. It is therefore not certain that the aid paid in February and March N+1 can be charged to year N.

### 2.2.2 – Beneficiaries debts

The item “Debts to beneficiaries” includes the amount of benefits considered to be due for the current financial year, in accordance with the principles described above, and which are determined by deducting the benefits paid in January, February and March that are due for the current financial year.

### 2.2.3 – Beneficiaries receivables

A provision is set aside for the accounts of recipients in debit (overpayments and payments on account), based on the age of the receivables.

→ For overpayments of less than €25,000: depreciation is calculated using a statistical law projecting the expected recovery of overpayments over a period of 4 years. Depreciation rates are calculated over a reference period of 12 months from 1<sup>st</sup> December N-1 to 30 November N. This rate was applied to the stock of overpayments on 31 December.

→ For overpayments of more than €25,000 each: the likelihood of recovery is determined and assessed on a case-by-case basis, based on the inventory at end-November. In this context, overpayments relating to fraud must be depreciated 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 account of December transactions (any new overpayments and movements in December for the stock at the end of November).

## 2.3 – FURLOUGHING SCHEME EXPENDITURES

Expenses relating to the furloughing scheme (furloughing scheme and long-term furloughing scheme) are recorded under other technical management expenses. They are made up of requests for compensation made by companies for hours lost by their employees for periods of employment in year N, and the capped gross reference pay of each employee for the said period.

Requests for compensation are processed by the services and payment agency (ASP) through the network of Regional Directorates for the Economy, Employment, labour and Solidarity (DREETS, formerly DIRECCTE), before being validated for payment. The ASP is responsible for paying compensation for the furloughing scheme to employers<sup>1</sup>.

### 2.3.1 – Expenses

Partial activity expenses are recorded on the basis of monthly invoices from the ASP.

<sup>1</sup> Exceptionally, for individual employers, the Agence centrale des organismes de Sécurité sociale (Acos) is in charge of the scheme.

### 2.3.2 – Accrued expenses

Accruals are calculated on the basis of employers' claims for compensation for periods of employment in year N and fully processed by the ASP between January and March N+1.

In view of the comparison between the potential additional hours to be compensated for periods of employment in year N and the expenses actually paid, no provision for additional expenses has been recorded for the 2023 financial year.

In the balance sheet, expenses paid between January and March N+1, which relate to N, are included in other liabilities (€13 million on 31 December 2023).

## 2.4 – CONTRIBUTIONS AND OTHER FUNDING

### 2.4.1 – Income

As a reminder, Article 54 of Law No. 2018-771 of 5 September 2018 for the freedom to choose one's professional future abolished employee Unemployment Insurance contributions from 1<sup>st</sup> January 2019 (except for intermittent entertainment employees, who remain liable only for the specific contribution referred to in Article L. 5424-20 of the Labour Code, expatriate employees whose employer does not fall within the scope of the compulsory affiliation provided for in Article L. 5422-13 of the Labour Code and employees working in the Principality of Monaco).

To compensate for this abolition, Article 26 of Law 2018-1203 of 22 December 2018 on the financing of social security for 2019 provided for the allocation to Unédic of 1.47% of CSG collected on earned income by AcoSS (C. sec. soc., art. L. 131-8, 2<sup>o</sup>, d). This 1.47% fraction has remained stable since the LFSS for 2019.

#### 2.4.1.1 – State-compensated exemption mechanisms

The 2019 Social Security Financing Act provided for the extension of the general reduction in Unemployment Insurance contributions from 1<sup>st</sup> October 2019 for all employers, with the exception of certain specific types of contract, agricultural production, and employers located in the French overseas departments, Saint-Barthélemy and Saint-Martin, who have benefited from it since 1<sup>st</sup> January 2019. AcoSS provides compensation for the general reduction in Unemployment Insurance contributions. The amounts corresponding to this financial compensation are paid by AcoSS to Unédic, after deduction of a rate of outstanding recovery (TRAR) set at 1.10%.

Compensation for the reduction in the Unemployment Insurance contribution was provided in full until 2022. Since 2023, under article 16 of the LFSS for 2024, this compensation is now provided *“within the limit of an amount set by order of the ministers responsible for labour, social security and the budget”* (C. sec. soc., art. L. 225-1-1, 7<sup>o</sup> bis).

Pursuant to this decree, published on 28 December 2023, the annual amounts compensated for the deduction of the general reduction from the employer's Unemployment Insurance contribution will therefore be reduced in the following proportions (subject to the publication of a new decree modifying these amounts):

- €2 billion in 2023;
- €2.6 billion in 2024;
- €3.35 billion in 2025;
- 4.1 billion euros in 2026.

At the same time, Article 8 of the Social Security Financing Act for 2019 extended five exemptions from employer contributions to Unemployment Insurance contributions: LODEOM, home helps, apprentices, shipping and seasonal agricultural workers (TO-DE). These exemptions are fully compensated by the four ministries concerned: Overseas France, Agriculture, Labour and Ecological Transition. The terms and conditions of this compensation are set out in a framework agreement signed by the parties concerned.

#### **2.4.1.2 – Payment of sums due comes into effect (concerning contributions collected by the Urssaf Caisse nationale)**

Pursuant to b) of 5° of article L. 225-1-1 of the Social Security Code, as from 1<sup>st</sup> January 2022, the sums paid to Unédic in respect of the collection by the Urssaf Caisse nationale of the contributions allocated to them correspond to the amounts owed by employers, after application of a flat rate set by decree with regard to the risk of non-recovery of part of these sums. This system is known as Repayment of Sums Due (RSD).

The amounts owed by employers correspond to the amounts declared by them and entered into the collection bodies' information systems, as well as the amounts owed as a result of controls or reliability checks carried out by the bodies. They therefore correspond to the amount of income recorded by the bodies in their accounts.

The rate of deduction for the risk of non-recovery is set by order of the ministers responsible for social security and the budget. It is determined on the basis of the average rate of non-recovery observed at the end of N+3, depending on the period of employment at the origin of the N receivables, over a period of 10 years on a segmentation of the population of employers consistent with the structure of the revenue repaid. In view of the rules governing the payment of assigned contributions, the calculation of the allowance rate for the risk of non-recovery corresponds to the average non-recovery rate observed for employers' contributions in the private sector. This rate is reviewed every five years in accordance with the applicable regulations.

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

A management fee of 0.1%, set by a decree dated 23 May 2022, is also applied to the sums paid to Unédic.

At the same time, these non-recovery costs are also applied to the sums received by Unédic from the Urssaf Caisse nationale as a result of the general reduction in contributions being offset against the employer's Unemployment Insurance contribution, in accordance with a framework set by a Unédic-Acoss-CCMSA-Pôle emploi agreement specifying the terms and conditions of the said offsetting.

Despite the partial non-compensation mentioned in the previous point resulting from Article 16 of the LFSS for 2024, the Urssaf Caisse nationale has applied this rate of non-recovery on the basis of full compensation, excluding the 2 billion reduction at the end of 2023. Work is underway to amend the agreement governing the terms and conditions of compensation for the general reduction in contributions, which will now be partial rather than full.

Income from technical management corresponds, on the one hand, to contributions and, on the other hand, to other financing:

#### **2.4.1.3 – Contributions**

→ These are the general and specific contributions that employers are required to pay in respect of the year, based on the compulsory periodic declarations they make to Urssaf, MSA, the regional offices of Pôle emploi (which will become France Travail in 2024) and Pôle emploi Services, CCSS (Monaco) and CPS (Saint-Pierre- et-Miquelon). DSNs received in January N+1 are deemed to relate to the current financial year. For those received in February N+1, the reference to the previous year and previous years enables the amounts declared to be recorded as accrued income.

→ These contributions are supplemented by the amounts of general reductions and specific exemptions compensated by the Urssaf Caisse nationale and the ministries.

#### **2.4.1.4 – Other funding**

This is the fraction of CSG on earned income paid back by the Urssaf Caisse nationale, to compensate for the former employee portion. CSG accounting income is recognised net of charges and provisions transmitted by the Urssaf Caisse nationale operator.

## 2.4.2 – Affiliates receivables

### 2.4.2.1 – Reminder of the provisions governing the offsetting by the Urssaf Caisse nationale of debts established before the switch to the repayment mechanism sums due

As a reminder, Article 12 of the Social Security Financing Act for 2022 provided that receivables corresponding to outstanding amounts due to beneficiaries on the date of transition to the mechanism for repayment of sums due provided for in Article 18 of the Social Security Financing Act for 2020, would be financially offset by the Urssaf Caisse nationale, and that the terms and conditions for settlement of receivables, in particular their payment in instalments, would be set out in an 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 and levies due by employers was signed on 20 October 2022.

The amount to be offset under this amendment corresponded to the estimated re-hedgeable value of the receivables on the date of transition to the new repayment mechanism. This compensation was paid in full (approximately €667 million, including €33 million for AGS) in October 2022.

The amendment also contains a clause concerning receivables for which payment has been deferred as part of the measures to accompany the health crisis, which represent a net book value of 480 million euros on 31 December 2021. Unédic and the Urssaf Caisse nationale have agreed to carry out an assessment of the collections actually recorded on 31 December 2024 and that in the event of a difference of more than 7 points in absolute value between the recovery rate actually observed on these receivables at the end of 2024 and the rate used for the provisioning assessment on 31 December 2021 (i.e. a threshold of approximately 50 million euros overall), the sums compensated will be reviewed.

If the review clause is activated, the adjustment to the offset will be determined by applying to the amount of the receivables recognised on 31 December 2021, the recovery rate actually observed in fine, by difference with the amount initially offset. This review will be reflected in the accounts on 31 December 2024 and settled financially at 1<sup>st</sup> quarter 2025.

### 2.4.2.2 – Receivables from other affiliates

A provision is recorded at the end of the year for receivables from affiliates (excluding the Urssaf Caisse nationale) that appear to be doubtful. It is determined on the basis of the age of the receivables and the forecast payment capacity of the companies according to their characteristics. The rate of depreciation is communicated by the operators.

### 2.4.2.3 – Contributions receivable

Contributions still to be received for the year are determined on the basis of the income recorded in January and February N+1 for previous years.

## 2.4.3 – Payables to affiliate

Funds paid by affiliates and collected by the various operators collecting on behalf of Unédic and which could not be allocated to an identified claim are shown as liabilities on the balance sheet.

## 2.4.4 – Receivables from Urssaf Caisse nationale

As a result of the above-mentioned transition to the repayment of sums due and offsetting of receivables prior to 1<sup>st</sup> January 2022, the remaining receivables from Urssaf Caisse nationale at the year-end relate exclusively to accrued income.

These accruals, determined by the operator, relate to the Unemployment Insurance contributions, CSG on earned income and the general reduction.

## 2.5 – OTHER ITEMS

### 2.5.1 – Actif immobilisé

Intangible assets and property, plant and equipment are recognised in accordance with CRC regulation 2002-10 on the amortisation and impairment of assets and CRC regulation 2004-06 on the definition, recognition and measurement of assets. Depreciation is calculated using the straight-line method over the following periods:

Software	<b>5 years</b>
Buildings and structures	<b>10 to 40 years</b>
Fixtures and fittings	<b>10 to 20 years</b>
IT equipment and facilities	<b>3 to 6 years</b>
Office furniture	<b>10 years</b>
Office equipment	<b>5 years</b>
Other	<b>4 to 10 years</b>

### 2.5.2 – Employee-related commitments

In accordance with the provisions of the Unédic company agreement, Unédic is required to pay retirement indemnities calculated on the basis of months of salary per number of years of service.

In addition, bonuses are payable for long-service awards.

Commitments are determined on the basis of the following factors:

- provisions of the company agreement: exploitation of individual data: age, gender, salary, seniority;
- determination of internal actuarial assumptions: staff turnover rate (0 to 3% depending on the age of the employee), retirement age and terms and conditions (60 to 65 years depending on the year of birth with retirement at the initiative of the employee, salary increase rate of 3% including inflation);
- use of a discount rate for the commitment corresponding to the iBoxx Corporate Bonds AA 10+ index rounded to the quartile, i.e. 3.20%, compared with 3.75% for the 2022 financial year.

Based on this data, the amount of the commitment is calculated individually for each employee present, it being understood that for long-service awards, the commitment must be calculated for the gratuities likely to be paid for the entire period worked, i.e. a maximum of 4 levels of award.

The resulting amounts are recognised as provisions for liabilities and charges, and changes in these provisions are recognised in profit or loss for the period, including the impact of changes in assumptions.

### 2.5.3 – Net exceptional income

Net exceptional income include:

- technical management operations not arising from ordinary activities and relating to the areas of entitlement or recovery;
- items relating to administrative management, i.e. items provided for in the general chart of accounts, in particular capital gains and losses on disposals of tangible and intangible fixed assets.

Gains and losses on disposals of non-current financial assets are, by way of exception, recognised under financial transactions.

## 2.6 – FINANCIAL RELATIONS WITH THIRD PARTIES

### 2.6.1 – Management mandate on behalf of the AGS

Under an agreement dated 18 December 1993 and its amendments, the AGS entrusted Unédic with the management of the collection of its contributions and the establishment of 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, on 1<sup>st</sup> January 2011, Unédic transferred the collection of Unemployment Insurance contributions and AGS contributions to the Urssaf Caisse nationale (Acos), although Unédic still accounts for them on a third-party basis, based on the results reported. As part of this transfer, the AGS is a party to the Unédic-Pôle emploi-Acos-AGS agreement of 17 December 2010.

The aforementioned management agreement of 18 December 1993 was terminated on 27 June 2019 by AGS, with effect from 31 December 2019, in order to open negotiations aimed at clarifying the respective roles and responsibilities of AGS and Unédic. As this negotiation was initiated but not completed during the previous financial years, the parties decided by mutual agreement to extend the management agreement by means of six extension riders (signed 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 mandated the services to draw up a new management agreement in application of article L. 3253-14 of the French Labour Code, which was due to come into force on 1<sup>st</sup> July 2023. The new Unédic-AGS agreement was finally signed on 27 June 2023 with effect from 1<sup>st</sup> January 2024 (see 3.4 – Operational management of the wage guarantee scheme).

During the 2023 financial year, the agreement of 18 December 1993 and its various amendments continued to apply unchanged, with each party fulfilling its obligations.

### 2.6.2 – Participation of beneficiaries in the funding of supplementary pensions

The regional offices of Pôle emploi (which became France Travail in 2024) deduct and settle the contributions made by recipients to the financing of supplementary pensions. This deduction, which is then taken over by Unédic, is deducted from the cost of validating pension points, which are calculated under agreements signed with Agirc-Arrco, Ircantec, CNBF (Caisse nationale des barreaux français) and CRPN (Caisse de retraite du personnel navigant).

### 2.6.3 – Withholding tax on benefit recipients

Since 1<sup>st</sup> January 2019, Pôle emploi (which will become France Travail in 2024) has been deducting and accounting for the monthly withholding tax on benefit recipients. This deduction is then paid to the DGFIP the following month. This results in a tax liability at year-end.

### 2.6.4 – Community coordination of Unemployment Insurance schemes

European regulation 883/2004 sets out the terms and conditions for reimbursing unemployment benefit paid to a resident of France who is receiving compensation for paid employment in another European Community country.

Expenses arising from refunds of allowances to be sent to the claimant country and income arising from refunds to be received are recognised as soon as the claim for refund of allowances from the third country is received or the claim for refund of allowances is sent to the third country.



### 2.6.5 – Management agreements

Pursuant to Article L. 5424-2 of the French Labour Code, Unédic has signed management agreements with companies and public institutions that are not affiliated to the Unemployment Insurance scheme. Under these agreements, employees falling within the scope of these agreements are compensated by Pôle emploi, while the signatory organisations pay a lump sum to Unédic.

The management agreements signed with Unédic before 19 December 2008 were terminated by 2017 at the latest. The public-sector employers concerned were able to sign new management agreements directly with Pôle emploi. Pôle emploi is responsible for the administrative and financial management of compensation for former employees of public-sector employers who so wish, under the new management agreements signed since 19 December 2008 (the date of the creation of Pôle emploi, which will become France Travail in 2024).

The residual financial flows for Unédic relating to these management agreements were therefore insignificant, as the scheme had come to an end. Therefore, at the request of Pôle emploi, with the authorisation of its Compensation and Regulation Department, and in agreement with Unédic, this system was closed on 30 November 2023 after a final financial exchange relating to the payment of management fees.

# 3. EVENTS OCCURRING AFTER REPORTING DATE

The following events occurred after the year ended 31 December 2023:

## **3.1 – FAILURE OF THE NATIONAL CROSS-INDUSTRY “LIFE AT WORK PACT” (“PACTE DE LA VIE AU TRAVAIL”) NEGOTIATIONS AND THE RIDER TO THE UNEMPLOYMENT INSURANCE AGREEMENT OF 27 NOVEMBER 2023**

The national cross-industry negotiations on the “Life at Work Pact” which began in February 2024 were expected to result in a rider to the Unemployment Insurance agreement of 27 November 2023 containing measures relating to compensation for senior citizens, the agreement approval procedure having been suspended pending these additions (see 1.1.5 – Conclusion of the Unemployment Insurance agreement of 27 November 2023).

However, these negotiations did not result in the signature of a national inter-professional agreement (ANI), nor of a rider to the Unemployment Insurance agreement.

Insofar as the outcome of these “Life at Work Pact” negotiations was a condition for the resumption of the approval procedure for the November 2023 agreement, a decree will be issued to set the Unemployment Insurance rules applicable from 1<sup>st</sup> July 2024 (press release issued by the Ministry of Labour on 22 April 2024). The decree will be issued after consultation with the social partners, and will apply until 2027. This new decree will comply with the framework document of summer 2023, set for the initial negotiations, with the financial balance and counter-cyclical nature of Unemployment Insurance and will include the missing section on senior citizens.

## **3.2 – LAW NO. 2023-1196 OF 18 DECEMBER 2023 FOR FULL EMPLOYMENT**

Among the measures concerning Unédic, which will apply from 1<sup>st</sup> January 2024, this law lays the legal foundations for the operator France Travail (formerly Pôle emploi) and the Réseau pour l'emploi (RPE), which brings together the players involved in job placement and support for jobseekers, including people on the RSA, young people (local missions) and people with disabilities (Cap emploi).

The aim of this unified network is to ensure better coordination of players in the field of social and professional integration (common base concerning support criteria, services offered, duties and sanctions for jobseekers, as well as shared tools, etc.). In terms of governance, a national employment committee will bring together the various players (State, PS, local authorities, Unédic, etc.), in particular to define the network's strategic guidelines.

Funding from Unédic to the France Travail operator is maintained, at this stage, at a level of 11% of the scheme's resources (following the “junction” decree of 21 December 2023). Other measures will apply from 1<sup>st</sup> January 2025 at the latest (compulsory registration with the France Travail operator for anyone who is fit for work and receiving support from a public employment service provider, single employment contract to replace the PPAE, etc.).

### 3.3 – NEW TRIPARTITE AGREEMENT 2024-2027

On 11 April 2024, the new National Employment Committee issued a favourable opinion on the draft tripartite agreement between the State, Unédic and France Travail for the period 2024-2027.

This new agreement, signed on 30 April 2024, sets three objectives for the new public employment service operator: to give everyone the means to access sustainable employment, to guarantee users access to their benefit entitlements and to help employers recruit. To ensure performance management, 15 strategic indicators have been jointly decided and will be applicable from 2025. Lastly, the text stipulates that the annual State subsidy will be maintained at 1.35 billion euros until 2027, and that the rate of Unédic's contribution will remain stable at 11% of the Unemployment Insurance scheme's revenue for the year N-2.

### 3.4 – OPERATIONAL MANAGEMENT OF THE PLAN WAGE GUARANTEE SCHEME

For more than 25 years, the operational management of the wage guarantee scheme has been the responsibility of the Délégation Unédic AGS, a dedicated Unédic establishment, in liaison with the AGS bodies.

As of 1<sup>st</sup> January 2024, all staff and activities of the Délégation Unédic AGS have been transferred to AGS.

Under the new Unédic-AGS agreement signed on 27 June 2023 and taking effect from 1<sup>st</sup> January 2024, the tasks carried out by Unédic on behalf of the AGS scheme are defined as follows:

#### 3.4.1 – Monitoring the implementation of the wage guarantee

As a guarantee institution against the risk of non-payment of wages and benefits, Unédic monitors the activity and technical equilibrium of the wage guarantee scheme.

To this end, its governance – Executive Committee and/or Board of Directors – receives the opinions and proposals formulated by the joint steering committee for this agreement.

Unédic may commission any audit relating to compliance with the purpose of the scheme, in particular the activities carried out by AGS relating to the financial equilibrium of the scheme, which may pose a risk with regard to financial solidarity. The terms of intervention are determined in consultation with the AGS.

#### 3.4.2 – Functions whose management is delegated to Unédic

Unédic carries out the following tasks on behalf of AGS:

- managing the scheme's overall cash position;
- monitoring the collection of contributions;
- preparing technical management forecasts.

Unédic's remuneration for all the functions delegated to it is established on the basis of an annual budget proposed by Unédic and validated by the AGS Board of Directors.

With regard to the scheme's cash position, Unédic:

- make available to AGS the funds necessary for the conduct of its technical and administrative activity on the basis of regular and justified calls for funds;
- manage the funds of the wage guarantee scheme, acceptance of the mandate including the investment strategy decided by the AGS Board of Directors. This acceptance involves proposing financial tools and products that meet the investment horizon and financial risk management desired by AGS;
- to this end, open accounts with financial partners in accordance with the investment strategy defined by the AGS Board of Directors, after competitive tendering in accordance with the procedure in force, thus investing the available funds in authorised financial vehicles and making the necessary arbitrages in line with the financial strategy of the wage guarantee scheme;
- report regularly to the statutory bodies of the AGS on the realisation of investments, their performance objective as well as their observed performance funds returned to the scheme, temporarily uninvested, do not give rise to any remuneration by Unédic.

Unédic deducts the amounts corresponding to the AGS budget from the scheme's treasury and makes the appropriate transfer.

With regard to the information used to draw up the scheme's accounts, Unédic:

- provide the AGS, each year, with the information available to them in the context of the functions delegated to it for the preparation of the balance sheet and income statement of the wage guarantee scheme.

With regard to cash flow monitoring (technical management receipts relating to the collection of contributions, overall cash balances, performance of investments made on behalf of AGS), Unédic's departments:

- provide AGS each month with a statement of the contributions collected during the previous month;
- make the corresponding analytical data available to the AGS.

### **3.5 – CAREER SAFEGUARDING CONTRACT**

Three agreements between the State, Unédic and Pôle emploi, relating to the funding and implementation of the CSP, could be subject to change. Where appropriate, discussions between the State and the social partners should focus in particular on the financing of training and support for CSP beneficiaries.

In fact, since 2020, the State has no longer been involved in funding training and support for CSP beneficiaries. This disengagement by the State follows on from Law no. 2018-771 of 5 September 2018 on the freedom to choose one's professional future, which modified the management and funding scheme for training actions for CSP beneficiaries, which previously relied on the FPSPP and the approved collective joint bodies (Opca), as well as on the increase of one point in Unédic's overall contribution to Pôle emploi's budget under the heading of "strengthening support for jobseekers", which results from the decree of 26 July 2019.

It should be noted that, at this stage, there are no plans to change the funding of the Allocation de Sécurisation Professionnelle (ASP), which is shared between the State and Unédic (in practice, the State's funding is nil as there is no remaining cost).

### **3.6 – FURLOUGHING SCHEME**

Discussions are currently underway with a view to Unédic funding the partial activity scheme in Monaco (CTTR).

### 3.7 – BOND ISSUANCES

On 27 June 2023, Unédic's Board of Directors decided to authorise the issue of up to one billion euros of new bonds for 2024 on the basis of the financial forecasts known to date. Following Unédic's request to the French government, the latter decided to grant Unédic an explicit guarantee of one billion euros for 2024 (Finance Act no. 2023-1322 of 29 December 2023 - Article 183). On 13 March 2024, an order from the Minister for the Economy, Finance and Industrial and Digital Sovereignty was published in the Journal Officiel de la République granting the State's guarantee for Unédic's bond issues in the amount of one billion euros.

At its meeting on 31 January 2024, the Board of Directors decided to authorise the issue of up to one billion euros of new bonds in 2024. The Board of Directors also:

→ **confirmed the characteristics of the financing programmes:**

- EMTNs with a maximum outstanding amount of €60 billion;
- NEU MTN with maximum outstandings of €10 billion;
- NEU CP with maximum outstandings of €18 billion;

→ **confirmed the characteristics of the liquidity cushion:**

- 2.5 billion and adjusted daily in line with forecast disbursements;
- invested by applying precise prudential rules.

These legislative provisions and the decisions taken by the Board of Directors will enable Unédic to carry out its 2024 financing programme. An issue of one billion euros with a 10-year maturity (25 November 2034) was made on 24 April at a rate of 3.192%.

If Unédic's financing requirements for 2024 turn out to be greater than those forecast in the Finance Act, the NEU CP or NEU MTN programmes will be able to bear part of the cash requirements. If the situation were to worsen more severely, emergency provisions in the Supplementary Budget Act would be requested.

# 4. BALANCE SHEET ANALYSIS

## 4.1 – ANALYSIS OF BALANCE SHEET – ASSETS

### 4.1.1 – Fixed assets

#### 4.1.1.1 – Tangible and intangible fixed assets

Eight property sites were sold during the year.

Movements in fixed assets and depreciation during the 2023 financial year are shown below:

#### CHANGES IN GROSS FIXED ASSETS IN 2023

In millions of euros	(1) Gross value at beginning of year	(2) Acquisitions and creations	(3) Disposals or decommis- sioning	(4) Transfers	(5)=(1)+(2)-(3)+(4) Gross value at year-end
<b>Total intangible assets (A)</b>	<b>3.1</b>	<b>0.3</b>	<b>0.0</b>	<b>3.9</b>	<b>7.3</b>
<b>Total property, plant and equipment (B)</b>	<b>69.7</b>	<b>0.1</b>	<b>8.2</b>	<b>0.8</b>	<b>62.5</b>
<i>Property: land, buildings and fittings</i>	65.7	0.6	8.1	0.0	58.2
<i>Other tangible fixed assets</i>	4.0	0.1	0.1	0.1	4.2
<i>Property, plant and equipment in progress</i>	0.0	- 0.6	0.0	0.6	0.0
<b>TOTAL (A+B)</b>	<b>72.8</b>	<b>0.5</b>	<b>8.2</b>	<b>4.7</b>	<b>69.7</b>

#### CHANGES IN DEPRECIATION AND IMPAIRMENT OF FIXED ASSETS IN 2023

In millions of euros	(1) Depreciation at beginning of year	(2) Increases	(3) Decreases, disposals and retirements	(4) Transfers	(5)=(1)+(2)-(3)+(4) Gross value at year-end
<b>Total intangible assets (A)</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>1.7</b>
<b>Total property, plant and equipment (B)</b>	<b>53.4</b>	<b>0.1</b>	<b>6.7</b>	<b>1.6</b>	<b>48.5</b>
<i>Property: buildings and fittings</i>	50.9	0.1	6.6	1.2	45.6
<i>Other tangible fixed assets</i>	2.6	0.0	0.1	0.4	2.9
<b>TOTAL (A+B)</b>	<b>54.7</b>	<b>0.2</b>	<b>6.7</b>	<b>1.9</b>	<b>50.2</b>

In addition, a provision for impairment of buildings and fixtures amounting to €0.23 million has been recognised in connection with the planned disposal of certain sites for which a purchase proposal serving as an estimate of the sale price is lower than the net book value.

#### 4.1.1.2 – Long-term investments

This item, amounting to 13.7 million euros, includes loans for their original amount as part of construction aid for 13.58 million euros, deposits and guarantees paid for 0.15 million euros.

### 4.1.2 – Current assets

#### 4.1.2.1 – Receivables

##### a) Recipient debtors – Differences in overpayments by recipients

The gross value of “Accrued expenses” rose by 6.02% year-on-year, from €1,896.8 million to €2,011 million.

This variation is mainly due to overpayments by Unemployment Insurance recipients.

Movements relating to differences in overpayments to Unemployment Insurance recipients are shown in the table below:

In millions of euros	2023	2022	2023/2022 Change
<b>Differences on overpayments to beneficiaries – Advance payments at beginning of year (A)</b>	<b>1,843.0</b>	<b>1,662.3</b>	<b>10.87%</b>
Detection of Unemployment Insurance overpayments (B)	1,255.9	1,176.0	6.79%
Repayment and recovery (C)	939.4	804.9	16.71%
ANV and loss on overpayments (D)	190.2	190.4	- 0.11%
Advance payments (E)	6.2	5.3	16.98%
Advances and deposits recovered (F)	5.8	5.3	9.43%
<b>Debtors at year-end (including advance payments) (G) = (A)+(B)-(C)-(D)+(E)-(F)</b>	<b>1,969.7</b>	<b>1,843.0</b>	<b>6.87%</b>
Provision for doubtful debts (H)	- 1,513.8	- 1,413.9	7.07%
Provisioning rate (H)/(G)	76.85%	76.72%	0.18%
<b>NET BOOK VALUE (I) = (G)-(H)</b>	<b>455.9</b>	<b>429.1</b>	<b>6.25%</b>

The risk of non-recovery of overpayments is covered by a provision equal to 76.85% of the receivable, an increase of 0.18% on the provision for 2022.

**b) Debtors – Advance payments**

Movements relating to differences in advance payments from Unemployment Insurance are shown in the table below:

In millions of euros	2023	2022	2023/2022 Change
<b>Differences on prepayments at beginning of year (A)</b>	<b>53.7</b>	<b>56.9</b>	<b>- 5.62%</b>
Detection of Unemployment Insurance overpayments (B)	194.4	223.9	- 13.17%
Repayment and recovery (C)	206.6	227.1	- 9.03%
ANV and loss on overpayments (D)	0.0	0.0	
Advance payments (E)	0.0	0.0	
Advances and deposits recovered (F)	0.0	0.0	
<b>Debtors at year-end (including advance payments) (G) = (A)+(B)-(C)-(D)+(E)-(F)</b>	<b>41.5</b>	<b>53.7</b>	<b>- 22.72%</b>
Provision for doubtful debts (H)	- 22.8	- 29.9	- 23.75%
Provisioning rate (H)/(G)	54.94%	55.68%	- 1.33%
<b>NET BOOK VALUE (I) = (G)-(H)</b>	<b>18.7</b>	<b>23.8</b>	<b>- 21.43%</b>

The risk of non-recovery of differences on advance payments to beneficiaries is covered by a provision equal to 54.94% of the receivable, a decrease of 1.33% compared with 2022.

**c) Affiliates and other funders**

Gross contributions and other funding outstanding on 31 December 2023 totalled €5,149.7 million, of which €5,048.3 million related to the Unemployment Insurance. The latter amount breaks down as follows:

<b>Main contributions</b>	€2,826.8 million or 56% of the total
<b>Other funding (CSG)</b>	€1,563.4 million or 30.97% of the total
<b>Specific contributions</b>	€603.4 million or 11.95% of the total
<b>Accessory products</b>	€54.7 million or 1.08% of the total

These receivables from affiliates and other funders also break down into certain contributions receivable which were recovered in January or February 2024 for an amount of 4,514 million euros (of which AGS for 96.6 million euros) and contentious contributions receivable for an amount of 635.7 million euros (of which AGS for 4.8 million euros).

Under the management agreement between AGS and Unédic Association, AGS affiliated receivables are recorded against the AGS current account on the liabilities side of the balance sheet.

After analysing the stage of the recovery procedure or the characteristics of the company, a provision for the risk of non-recovery of disputed receivables of 489.8 million euros (including AGS for 3.1 million euros) is recorded, bringing net contributions and other financing to be recovered on 31 December 2023 to 4,659.9 million euros. This provision for impairment of receivables is 0.08% lower than the provision of €490.2 million at the end of 2022 (including €3.8 million for AGS).



Apart from the specific case mentioned above of Urssaf Caisse nationale, which has switched to a mechanism for repaying sums due, the provision continues to be calculated by each of the other operators responsible for collecting Unemployment Insurance contributions, on the basis of a review of the results of recoveries of disputed receivables in previous years. Impairment of receivables at the year-end mainly concerns Pôle emploi (now France Travail) and CCMSA, for which a provision of €437 million and €51 million has been set aside respectively.

#### d) Status

The agreement on targeted exemptions provides for actual invoicing for periods of employment during the year to the relevant ministries: Ministry of Overseas France, Ministry of Agriculture and Food Sovereignty, Ministry of Labour, Employment and Integration and Ministry of Ecological Transition.

At the end of the financial year, there is a balance between the invoiced amount and the instalments paid during the year, reflecting a receivable or a payable.

On 31 December 2023, the State will still owe Unédic 7.2 million euros, spread over the following exemption schemes:

<b>Lodéom exemption (Overseas)</b>	€4.8 million
<b>Apprentices exemptions (work)</b>	€0.5 million
<b>Shipowners exemptions (Ecology)</b>	€1.9 million

#### 4.1.2.2 – Other receivables

This item, amounting to 483 million euros net of provisions for impairment, mainly comprises:

- accrued income of €228.8 million, net of provisions for impairment of old receivables (€26.4 million), in respect of the reimbursement by EU Member States to France of allowances paid to French frontier workers;
- a receivable of €8 million from the services and payment agency (ASP);
- receivables of 67.4 million euros, relating to current operations in the field of debt collection, from the operator Pôle emploi (41.8 million euros), the CSS of Monaco (12.6 million euros), the CPS of Saint-Pierre-et-Miquelon (0.3 million euros) and the CCMSA (12.7 million euros);
- a receivable of €172.3 million from the Urssaf Caisse nationale on the repayment of sums due (including €3 million on the repayment of sums due from Mayotte).

#### 4.1.2.3 – Marketable securities

This item, amounting to €2,563 million, corresponds to money market funds used to hedge NEU CP issues in the event of market failure.

<b>Stock of marketable securities at 01/01/2023</b>	<b>Acquisitions in 2023</b>	<b>Disposals in 2023</b>	<b>Stock VMP at 31/12/2023</b>
€2,035 million	€91,519 million	€90,991 million	€2,563 million

#### 4.1.2.4 – Cash at bank and in hand

This item, amounting to €1,160 million, corresponds mainly to interest-bearing passbook deposits.

### 4.1.3 – Deferred expenses

This item, amounting to €50.5 million, relates to the costs of issuing the NEU MTN bonds, which are spread on a straight-line basis over the term of the bonds.

In millions of euros

Year of release	Commissions and deferred charges (a)	Previous amortisation (b)	2023 Amortisation (c)	Commissions fully amortised on loans maturing in 2023 (d)	Accumulated amortisation at 31/12/2023 (e)=(b)+(c)-(d)	Borrowing commission balance at 31/12/2023 (f)=(a)-(d)-(e)
2013	2.6	2.6	0.1	2.6	0.0	0.0
2014	5.3	4.6	0.5	0.9	4.2	0.2
2015	7.8	5.6	0.7	0.0	6.4	1.4
2016	7.4	5.5	0.8	2.6	3.7	1.2
2017	10.5	5.2	0.9	0.0	6.2	4.3
2018	4.2	1.6	0.4	0.0	1.9	2.2
2019	4.6	1.5	0.4	0.0	1.9	2.7
2020	32.2	8.5	3.5	0.0	12.0	20.2
2021	20.0	2.9	1.8	0.0	4.7	15.3
2022	1.8	0.1	0.2	0.0	0.3	1.5
<b>2023</b>	<b>1.8</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>1.6</b>
<b>TOTAL Deferred expenses</b>	<b>98.0</b>	<b>38.1</b>	<b>9.3</b>	<b>6.1</b>	<b>41.4</b>	<b>50.5</b>

### 4.1.4 – Bond redemption premiums

Bonds and NEU MTNs issued by Unédic include an issue premium corresponding to the difference between the nominal value of the bonds and the issue value. These premiums are amortised over the life of the bonds.

In millions of euros

Year of release	Premium amount show (a)	Previous amortisation (b)	2023 Amortisation (c)	Fully amortised on matured bonds in 2023 (d)	Accumulated amortisation at 31/12/2023 (e)=(b)+(c)-(d)	Issue premium balance at 31/12/2023 (f)=(a)-(d)-(e)
2013	1.5	1.4	0.0	1.5	0.0	0.0
2014	4.2	3.6	0.4	0.0	4.0	0.2
2015	48.1	35.4	4.6	0.0	39.9	8.1
2016	33.2	25.2	3.5	12.7	16.1	4.5
2017	26.3	14.3	2.6	0.0	17.0	9.3
2018	12.2	4.3	1.0	0.0	5.3	6.9
2019	15.2	5.8	1.5	0.0	7.3	8.0
2020	26.1	5.6	2.2	0.0	7.9	18.2
2021	41.8	5.9	3.5	0.0	9.5	32.4
2022	7.9	0.5	0.8	0.0	1.2	6.7
<b>2023</b>	<b>2.6</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>2.4</b>
<b>TOTAL Issue premium</b>	<b>219.1</b>	<b>102.0</b>	<b>20.4</b>	<b>14.1</b>	<b>108.3</b>	<b>96.6</b>

### 4.1.5 – Accruals accounts

Prepaid expenses amounted to 76.9 million euros, relating to administrative management.

## 4.2 - ANALYSIS OF BALANCE SHEET - EQUITY AND LIABILITIES

### 4.2.1 - Net position

At the close of the 2023 financial year, net equity was negative at 58,219.6 million euros, as follows:

<b>Net position on 31 December 2022</b>	- €59,755.2 million
<b>Profit for the 2023 financial year</b>	+ €1,535.6 million
<b>Net position on 31 December 2023</b>	<b>- €58,219.6 million</b>

### 4.2.2 - Provisions for liabilities and charges

This item, totalling 124 million euros, mainly comprises the following provisions:

- a provision of €101.4 million for disputes involving Urssaf Caisse nationale affiliates;
- a provision of €5.9 million for litigation risks relating to claimants and collections reported by the Pôle emploi regional divisions (which will become France Travail in 2024);
- provisions for employee benefits:
  - a provision for retirement indemnities (IDR) of €11.4 million;
  - a provision of €1.9 million for long-service awards;
- a provision of €1.9 million for administrative risks and charges;
- a provision of €1.5 million for staff-related liabilities and charges.

Changes in provisions for liabilities and charges during the 2023 financial year are shown in the table below:

In millions of euros	Opening balance	Provision	Reversal of provision used	Reversal of unused provisions	Closing balance
Urssaf Caisse nationale and Pôle emploi (France Travail)	92.3	17.4	2.4		<b>107.3</b>
Staff costs	0.8	0.7			<b>1.5</b>
Other GA expenses	2.1			0.2	<b>1.9</b>
Retirement indemnities	11	0.4			<b>11.4</b>
Long-service bonuses	1.8	0.1			<b>1.9</b>
<b>TOTAL</b>	<b>108</b>	<b>18.6</b>	<b>2.4</b>	<b>0.2</b>	<b>124</b>

### 4.2.3 - Borrowings and financial debts

The trend in funding over the course of 2023 is as follows:

In millions of euros	Opening balance	Of which 2022 accrued interest	2023 additional funding	2023 financing repayment	Closing balance	Of which 2023 accrued interest
Bond issues	51,709	209	1,000	3,750	<b>48,947</b>	197
Negotiable European Commercial Paper (NEU CP)	7,655	-	64,556	63,194	<b>9,017</b>	-
Negotiables Medium-term notes (BMTN)	-	-			-	-
Negotiable European Medium-term notes (NEU MTN)	5,251	1	-	-	<b>5,251</b>	1
Bank overdrafts	3	-		3	-	-
<b>TOTAL</b>	<b>64,618</b>	<b>210</b>	<b>65,556</b>	<b>66,947</b>	<b>63,215</b>	<b>197</b>

#### 4.2.3.1 – Bond issues

Bond debt under the EMTN programme amounted to 48,750 million euros at the close of the 2023 financial year.

<b>Emissions</b>	<b>Amount in €M</b>	<b>Issue date</b>	<b>Maturity</b>	<b>Coupon rate</b>
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		
19.1	2,000	28/03/2017		
19.2	250	31/08/2017	28/03/2027	1.250%
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%
34.1	1,000	04/05/2023	25/04/2033	3.125%
<b>TOTAL</b>	<b>48,750</b>			

To this must be added an amount of 197 million euros corresponding to accrued coupons at the end of the financial year.

#### 4.2.3.2 – Borrowings from credit institutions and miscellaneous financing

This item totals 9,017 million euros, corresponding to the outstanding amount of the NEU CP short-term debt programme (formerly Billets de Trésorerie) issued by Unédic.

NEU CP operations in 2023 were as follows:

Stock on 01/01/2023	Issuances in 2023	Repayments in 2023	Stock at 31/12/2023
€7,655 million	€64,556 million	€63,194 million	€9,017 million

The maturities for these NEU CPs are as follows:

	During 1 <sup>st</sup> quarter 2024	During the 2 <sup>nd</sup> quarter 2024	During the 3 <sup>rd</sup> quarter 2024	During the 4 <sup>th</sup> quarter 2024	Total
<b>Maturity of NEU CP</b>	€6,164 million	€1,025 million	€1,508 million	€620 million	<b>€9,017 million</b>

#### 4.2.3.3 – Borrowings from credit institutions and miscellaneous financing

At the end of 2023, Unédic no longer has any negotiable medium-term notes (BMTN) outstanding.

#### 4.2.3.4 – NEU MTN (formerly negotiable medium-term notes)

At the end of 2023, Unédic will have €5,250 million of NEU MTN outstanding.

Emissions	Amount in €M	Date of issue	Maturity	Coupon rate
4	1,250	28/11/2017	25/11/2024	0.125%
7	4,000	25/05/2020	25/11/2026	0.100%
<b>TOTAL</b>	<b>5,250</b>			

At the balance sheet date, accrued interest amounted to €0.5 million.

### Summary

Maturities of EMTN and NEU MTN Bonds	Maturing within 1 year	Maturity more than 1 year and not more than 5 years	Maturity more than 5 years
€54,000 million	€4,100 million	€26,000 million	€23,900 million

#### 4.2.3.5 – Bank overdrafts

None at 2023 year-end.

### 4.2.4 – Other liabilities

#### 4.2.4.1 – Affiliate debt

This item, amounting to 282.8 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 – Debts to beneficiaries and related accounts

This item, which totalled €3,041.5 million, mainly corresponds to the return of entitlement slips (€6.7 million) and allowances payable:

- from December 2023, paid to recipients in January 2024, for €3,077.4 million and €23.8 million in outplacement aid;
- in respect of the year 2023 paid in February and March 2023 for an amount of 56.8 million euros;
- after deduction of 124.4 million euros in withholding tax on pensions.

#### 4.2.4.3 – Tax and social security liabilities

This item, totalling 136.9 million euros, mainly comprises:

- leave, holiday bonuses and 13<sup>th</sup> months provisioned in an amount of €2.7 million;
- prepayments to beneficiaries of €54.6 million relating to benefits paid in December 2023;
- the remaining withholding tax payable by beneficiaries, i.e. 74.5 million euros relating to benefits paid in December 2023;
- other tax and social security liabilities of €5.1 million.

#### 4.2.4.4 – Trade payables

The amount of €7.6 million, representing invoices still to be paid on 31 December 2023, is divided into two headings:

<b>Suppliers of goods and services</b>	€7.379 million
<b>Suppliers of fixed assets</b>	€0.267 million

#### 4.2.4.5 – Other liabilities

This item includes amounts due to the State and other liabilities, totalling €765.9 million.

##### a) Status

The main items under this heading, totalling 48.7 million euros, mainly concern:

##### → Targeted exemptions

The agreement on targeted exemptions provides for actual invoicing, for periods of employment during the year, to the ministries concerned: Ministry of Overseas France, Ministry of Agriculture and Food Sovereignty, Ministry of Labour, Employment and Integration and Ministry of Ecological Transition.

At the end of the financial year, there is a balance, reflecting a receivable or a payable, between the facturation and the instalments paid during the year.

On 31 December 2023, Unédic had a debt to the State of €11.1 million in respect of targeted exemptions, of which €10.9 million related to home help (Ministry of Labour) and €0.2 million to the TO-DE scheme (Ministry of Agriculture).

##### → Health crisis exemption

Unédic still owes the State, represented by the Social Security Department, 29.2 million euros to finance compensation for specific exemptions from social security contributions for companies, self-employed workers and artists affected by the health crisis (agreement of 23/10/2020, effective 01/08/2020).

##### → Expenditure by cross-border beneficiaries (EESSI)

Unédic still owes the Member States €3.4 million in respect of invoices received but not yet paid by 31 December 2023.

##### → The financial contribution relating to the deferral

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

##### → Corporation tax

Corporate income tax for 2023 will amount to €3.7 million, compared with €1.5 million in 2022, mainly on capital income (rent and interest on ordinary passbooks).

**b) Other liabilities**

The main items under this heading, which totalled €717.3 million, mainly concern:

- the cost to be paid to the various pension funds on 31 December 2023 for the validation of recipients' supplementary pension points:
  - 400.9 million due in respect of Agirc-Arrco contributions, broken down as follows:
    - €384 million relating to contributions still to be paid by Unédic in respect of 2023 (including €85 million in respect of the 2023 semi-definitive situation);
    - €16.9 million due in regularisation of the 2022 final situation;
  - €24.6 million due to other supplementary pension bodies (including €12.1 million to Ircantec, €12 million provision for contributions to CRPN);
- the debt to AGS in respect of affiliated receivables arising from the recovery of operators, for a gross amount of €102.2 million less a provision of €3.1 million;
- a debt to the Urssaf Caisse nationale of €171 million relating to the current operations of the CSG Activité (€22.5 million) and Réduction Générale (€148.5 million) schemes;
- an accrual for partial activity of €12.9 million;
- an accrual for expenditure on allowances due to Member States for cross-border jobseekers of €6.9 million.

**4.2.5 – Accruals accounts**

Deferred income of €251 million relates to:

- the difference between the contractual interest rate and the value of coupons on bonds and NEU MTN for a balance of 250.8 million euros. They are amortised over the term of the loan;

In millions of euros

Year of release	Financial income amount (a)	Previous amortisation (b)	2023 amortisation (c)	Reversal of loans repaid in 2023 (d)	Accumulated amortisation at 31/12/2023 (e)=(b)+(c)-(d)	Deferred Income Balance at 31/12/2023 (f)=(a)-(d)-(e)
2013	0.0	0.0	0.0		0.0	0.0
2014	24.6	23.6	1.1	24.6	0.0	0.0
2015	0.0	0.0	0.0		0.0	0.0
2016	25.3	15.3	2.3		17.6	7.7
2017	36.9	16.0	3.0		18.9	18.0
2018	0.0	0.0	0.0		0.0	0.0
2019	61.2	15.7	4.4		20.1	41.1
2020	172.5	41.5	17.7		59.2	113.3
2021	131.5	32.5	28.1		60.7	70.8
2022	0.0	0.0	0.0		0.0	0.0
<b>2023</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>
<b>TOTAL Deferred income</b>	<b>452.0</b>	<b>144.6</b>	<b>56.6</b>	<b>24.6</b>	<b>176.6</b>	<b>250.8</b>

- an amount of €0.2 million relating to the negative interest on NEU CP (commercial paper) recognised in advance at the balance sheet date.

# 5. ANALYSIS OF THE INCOME STATEMENT

## 5.1 – TECHNICAL MANAGEMENT

The technical management result on 31 December 2023 was a profit of €1,988 million, compared with €3,753 million at 31 December 2022.

This reduction of around €1.8 billion is mainly due to:

- A gain of €2.2 billion from:
  - an increase of €2.1 billion in income from main contributions (€1,225 million, excluding compensation for the general reduction), special contributions (€196 million) and the financing of the CSG Activité (€682 million);
  - a €100 million reduction in partial activity expenditure.
- A loss of around €4 billion arising from:
  - the negative change of €11 million between 2022 and 2023 in two items significantly impacted in 2022 by the implementation of the repayment of sums due and by the offsetting of receivables prior to 1<sup>st</sup> January 2022 by the Urssaf Caisse nationale:
    - impairment of affiliates' disputed receivables: decrease in reversals of €1,249 million in 2023,
    - Write-offs: €1,238 million reduction in charges;
  - an increase of 1.9 billion euros in the weight of benefits (ARE-type benefits and others) and assistance paid and related pension points;
  - the reduction of €1.5 billion in income relating to compensation for the general reduction by the Urssaf Caisse nationale, mainly due to the impact of the order of 27 December 2023 prescribing a reduction of €2 billion for the 2023 financial year;
  - an increase of €410 million in the 11% contribution paid to Pôle emploi (which will become France Travail in 2024).

### 5.1.1 – Revenues

#### 5.1.1.1 – Contributions and other funding

Income from contributions and other funding for the 2023 financial year is 1.37% higher than in 2022:

In millions of euros	2023	2022	2023/2022 Change
Main contributions	26,659.95	26,943.61	- 1.05%
Other financing	16,723.45	16,041.89	4.25%
Specific contributions	558.44	362.40	54.09%
<b>TOTAL</b>	<b>43,941.84</b>	<b>43,347.90</b>	<b>1.37%</b>

In 2023, the main contributions should have increased on the basis of the growth in the average wage per head (SMPT, almost +4.5%) since wage increases have been more dynamic due to inflation. However, there has been a reduction in this item (-1.05%) as a result of the partial non-compensation of the Réduction Générale of 2 billion euros (see above).



GDP growth of 0.9% (after 2.5% in 2022) has supported the increase in CSG revenue allocated to Unédic.

The change in specific contributions is mainly due to the change in the financial contribution of affiliates to the CSP notice period, which has risen from 352 million euros in 2022 to 546 million euros in 2023.

#### 5.1.1.2 – Other income

This item, which amounts to €20 million, mainly comprises income from CSG activity tax (€7.8 million), late payment surcharges and penalties (€7.2 million) and various other income from affiliates and beneficiaries (€5 million).

#### 5.1.1.3 – Net reversal of provisions

Total reversals of provisions amounted to €28.2 million on 31 December 2023, compared with €1,267.3 million at end-2022.

This significant change is mainly due to reversals of provisions of €1,249 million booked in 2022 when the Urssaf Caisse nationale offset the stock of receivables existing on 31 December 2021 on the TREC, TREC Mayotte, EPM, TESE and TTS schemes.

In millions of euros	2023	2022	2023/2022 Change
Provision RC Urssaf Caisse nationale	0	7.74	- 7.74
Provision RC Pôle emploi (France Travail)	2.44	2.54	- 0.1
Provision for doubtful debts Affiliates	5.44	1,254.6	- 1,249.16
<i>Of which UCN/Mayotte/EPM/TESE/TTS</i>	0	1,241.6	- 1,241.6
Provision for benefit overpayments	0.02	0.01	0.01
Allowance on EESSI receivables	20.3	2.41	17.79
<b>TOTAL</b>	<b>28.2</b>	<b>1,267.3</b>	<b>- 1,239.1</b>

#### 5.1.1.4 – Transfer of expenses

This item of €259.272 million mainly comprises:

- reimbursement of benefits between countries of the European Community for 206.22 million euros;
- the reimbursement, by Pôle emploi (which became France Travail in 2024), on the basis of contractual dispositions, of the management fees withheld at source by operators for €39.24 million:
  - Urssaf Caisse nationale on the repayments of sum due (€21.85 million) and on CSG Activité payments (€16.2 million);
  - CCSS Monaco on contribution payments (€1.12 million);
- repayment of benefits to affiliates under Article 1235-4 amounting to €13.1 million.

### 5.1.2 – Expenditures

Total technical management expenses will increase by 2.76% (€1,134 million) to €42,261 million in 2023, compared with €41,127 million in 2022.

This increase in 2023 is explained by changes in the following main items:

- expenditure on benefits and assistance is up by 2,094.8 million euros. As a result, the cost of validating pension points is up by 168.85 million euros (at the end of 2023, the unemployment rate was 7.5% compared with 7.2% at the end of 2022);
- the 11% financial contribution, paid by Unédic to Pôle emploi, represents an increase of €410 million in the related expense, determined on the basis of receipts for the 2021 financial year.

On the other hand, there was a significant reduction in certain technical management expenses:

- waivers of receivables from affiliates of €1,238 million, mainly impacted by the transfer to ANV, during the 2022 financial year, of receivables from the TREC, TREC Mayotte, EPM, TESE and TTS schemes following the transfer of ownership of receivables prior to 1<sup>st</sup> January 2022 to the Urssaf Caisse nationale (impact of Article 18 of the LFSS 2020) (€1,245.18 million);
- a lower level of depreciation, amortisation and provisions on overpayments to beneficiaries of €81 million;
- a €100 million reduction in partial activity expenditure.

#### 5.1.2.1 – Allowances

The overall cost of benefits will increase by 5.74% in 2023, as follows:

In millions of euros	2023	2022	2023/2022 Change
ARE	31,102.1	29,517.30	5.37%
ARE Formation	1,902.0	1,946.5	- 2.29%
ASR ASP	1,115.7	808.7	37.97%
Other	12.8	8.3	54.22%
<b>TOTAL</b>	<b>34,132.60</b>	<b>32,280.80</b>	<b>5.74%</b>

Expenses per allowance result from taking into account:

- payments to recipients made during the year;
- a reduction in expenses linked to the detection of overpayments;
- the reversal of the provision recognised in 2023 for allowances payable in respect of the previous year and prior years;
- the additional expense represented by the provision recognised for allowances paid at the beginning of 2024 for periods in 2023 or earlier.

In millions of euros	Allowances paid in 2023 (+)	Detection of overpayments 2023 (-)	2023 allowances paid in 2024 (+)	Transfer of 2022 allowances paid in 2023 (-)	Expenses for the year (=)
ARE	32,275.9	1,370.6	2,825.5	2,628.7	31,102.1
ARE Formation	1,965.4	58.2	189.9	195.1	1,902.02
ASR ASP	1,093.9	16.8	117.1	78.5	1,115.7
Other	12.7	0.1	1.8	1.6	12.80
<b>TOTAL</b>	<b>35,347.9</b>	<b>1,445.7</b>	<b>3,134.3</b>	<b>2,903.9</b>	<b>34,132.62</b>

For the record, the 2011 career safeguarding contract benefit took over from the specific redeployment benefit and the career transition benefit for members of this support scheme from 1<sup>st</sup> September 2011 to 31 January 2015. The career safeguarding contract benefit has been in place since 2015.

The main changes in benefit payments are as follows:

- payments under the ARE represented an amount of 32.2 billion euros in 2023 compared to 30.8 billion euros in 2022, an increase of 4.55% which is explained by an increase in the average number of days compensated (+ 1.77%);
- ARE Training payments (excluding social security contributions of 118.7 million euros) amounted to 1.97 billion euros in 2023 compared with 2.014 billion in 2022, a decrease of 2.41%;
- ASR and ASP payments excluding the CSP premium amounted to €1,093.9 million in 2023 compared with €823.7 million in 2022, an increase of 32.8% due to the increase in the number of days paid (+34.55%) coupled with a decrease in the average daily rate (+1.67%).

### 5.1.2.2 – Outplacement assistance

Reclassification aid will amount to €819.2 million in 2023, compared with €745.1 million in 2022, and breaks down as follows:

In millions of euros	2023	2022	2023/2022 Change
IDR - Differential reclassification allowance ASP	4.4	4.8	- 8.33%
ARCE - Support for business start-ups and takeovers	623.1	596.1	4.53%
2015 career safeguarding contract bonuses	169.8	125.2	35.62%
End-of-rights allowance	20.3	16.9	20.12%
Other aids	1.6	2.1	- 23.81%
<b>TOTAL</b>	<b>819.2</b>	<b>745.1</b>	<b>9.94%</b>

ARCE (allowance for the takeover or creation of a business) is the main form of aid, accounting for €623.1 million or 76.06% of total aid. The amount will increase by 4.53% in 2023.

The introduction of the 2015 CSP was accompanied by the creation of the professional securisation contract bonus.

### 5.1.2.3 – Validation of supplementary pension points

In December 2021, Unédic and Agirc-Arrco signed a new agreement for the financing of supplementary pension points acquired by jobseekers receiving Unemployment Insurance benefits. The agreement takes account of the merger of the Agirc and Arrco supplementary pension schemes.

This item corresponds to the cost covered by Unédic of validating recipients' supplementary pension points, amounting to €2,397.5 million in 2023 compared with €2,228.7 million in 2022. This increase is correlated with the increase in benefit payments.

The breakdown by pension scheme is as follows:

In millions of euros	2023
AGIRC - ARRCO	3,656.41
IRCANTEC	107.1
Other funds (CRPNPAC - CNBF)	13.09
<b>TOTAL Pension funds</b>	<b>3,776.6</b>
Employee profit-sharing Beneficiaries' contributions (withholding tax)	- 1,379.05
<b>VALIDATION OF PENSION POINTS</b>	<b>2,397.55</b>

### 5.1.2.4 – Other technical management expenses

This item, amounting to €4,795.46 million, shows a decrease of €887.3 million compared with 2022, mainly as a result of offsetting between:

- the significant decrease (€1,238 million) in the affiliated NVA item heavily impacted in 2022 by the clearance of inventories of receivables not paid by the Urssaf Caisse nationale during the clearing operation that took place on 25 October 2022;
- the cost of the 11% financial contribution paid annually by Unédic to Pôle emploi (which will become France Travail in 2024), which will increase by €410 million (€4,333.7 million in 2023 compared with €3,924.1 million in 2022);
- a drop of 100.7 million euros in partial activity expenditure in 2023 compared with 2022;
- an increase of €34 million, between 2023 and 2022, in the item "Prescriptions from affiliates", mainly due to the transfer of affiliates' claims on CSP 2015 to losses;
- a €10 million increase in support costs for the 2015 CSP (convention of professional securisation);
- a reduction of €4.6 million in the cost of benefits for cross-border jobseekers, reimbursed to Member States.

### 5.1.2.5 – Charges to provisions

Total grants amounted to €116.66 million, breaking down as follows:

- a provision of €92.7 million for overpayments to beneficiaries, compared with €173.6 million in 2022;
- additional provision of €5.6 million on receivables from Pôle emploi affiliates;
- provision of 17 million for disputes relating to receivables from the Urssaf Caisse nationale.

## 5.2 – ADMINISTRATIVE MANAGEMENT

The administrative result will show a deficit of €37.2 million in 2023, compared with €34.5 million in 2022.

### 5.2.1 – Income

#### 5.2.1.1 – Services

This item of €42.9 million mainly comprises income received from third parties under management agreements (€42 million).

In millions of euros	2023	2022
AGS	42.4	39.1
Pôle emploi	0.1	0.1
Other agreements with third parties	0.0	0.0
Other services	0.4	0.6
<b>TOTAL</b>	<b>42.9</b>	<b>39.8</b>

#### 5.2.1.2 – Other products

This item, totalling €1 million, mainly represents rent paid in connection with the provision of the Unemployment Insurance scheme's property assets.

#### 5.2.1.3 – Expense transfers

This item of €1.8 million records the deferral of commissions on bond issues.

### 5.2.2 – Expenses

Expenses will amount to 83.2 million euros in 2023, up 2.21% (1.8 million euros) compared to 2022. This increase is mainly due to salaries and social security charges.

Depreciation, maintenance and management of the property portfolio are administrative expenses. There are 29 sites remaining at the end of 2023.

#### 5.2.2.1 – Purchases

This item represents 0.6% of administrative expenses, i.e. 0.5 million euros.

#### 5.2.2.2 – External services

This item represents 40.7% of administrative expenses.

In millions of euros	2023	2022
Work and services provided by third parties	8.1	5.5
Real estate and equipment leasing	3.7	3.7
Other external services	3.3	3.6
Transport and travel	0.7	0.7
Postal and telecommunications	0.2	0.2
Legal fees	11.7	12.4
Bank and postal fees	2.0	2.3
Miscellaneous	4.2	4.0
<b>TOTAL</b>	<b>33.9</b>	<b>32.4</b>

Fees and legal costs include in particular expenditure relating to the financing of employers' and trade union organisations in connection with the management of the Unemployment Insurance, amounting to €2.8 million in 2023.

Bank charges include commissions on bond issuances.

#### 5.2.2.3 – Taxes

This item represents 5.1% of administrative expenses and breaks down as follows:

In millions of euros	2023	2022
Payroll tax	2.5	2.4
Other taxes and payments	1.7	1.7
<b>TOTAL</b>	<b>4.3</b>	<b>4.1</b>

#### 5.2.2.4 – Wages and social security contributions

This item represents 38% of administrative expenses. It breaks down into:

In millions of euros	2023	2022
Wages	21.4	20.3
Social security contributions	10.3	9.5
<b>TOTAL</b>	<b>31.6</b>	<b>29.8</b>

#### 5.2.2.5 – Depreciation, amortisation and provisions

This item represents 15.5% of administrative expenses, down from €14.5 million in 2022 to €12.9 million.

## 5.3 – FINANCIAL MANAGEMENT

The financial result was a loss:

- €412.9 million in 2023;
- €299.4 million in 2022.

Expenses for 2023 amounted to €637.3 million, corresponding mainly to:

- charges of €616.9 million on structured finance, including €351.1 million for EMTN and NEU MTN;
- amortisation of bond premiums amounting to €20.4 million.

The weighted average financing rate for 2023 was 0.910%.

## **5.4 - NET EXCEPTIONAL INCOMES**

Exceptional items generated a net profit of €1.5 million, mainly relating to gains on disposals of fixed assets.

## **5.5 - CORPORATION TAX**

Unédic is liable for corporation tax on its income from property and investment. The tax due for 2023 is €3.7 million.

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

## **5.6 - NET PROFIT**

This item represents the net result for the year 2023 for the Unemployment Insurance.

The result is a profit of €1,535.6 million.

# 6. ADDITIONAL INFORMATION

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

The pay-as-you-go management method means that certain technical provisions, which could be set aside in the context of an insurance or provident activity, are not set aside in the specific context of Unemployment Insurance. However, they represent forecasts of potential expenses calculated at the end of the financial year, which only the financial equilibrium of the Unemployment Insurance scheme or a change in regulations could call into question in the future.

In order to provide better information to third parties, we present below the estimates, not defined by the accounting standards, of the benefits to be paid to beneficiaries receiving compensation at the balance sheet date, as well as their calculation methods.

More complete information on forecast expenditure and revenue is provided in the management report, in line with the work regularly carried out by the Unemployment Insurance scheme on the balance between allocations and contributions and the coverage of its financing requirements.

## 6.2 – ESTIMATE OF BENEFITS REMAINING TO BE PAID BY UNEMPLOYMENT INSURANCE RECIPIENTS RECEIVING BENEFITS AT THE END OF THE YEAR

The total amount of benefits to be paid over the average period of unemployment remaining to be covered from 31 December 2023 to recipients registered on that date has been estimated by Unédic's Research and Analysis Department at 26.2 billion euros. This amount does not take into account the allowances to be paid to beneficiaries whose benefits will continue until they retire.

The methods and assumptions used to calculate this estimate are as follows:

- determination of the total initial entitlement on 31 December 2023 (2,691,104 recipients), i.e. €66.1 billion for the general scheme and €2.3 billion for A8-A10;
- determination of the total entitlement already consumed on 31 December 2023, i.e. 30.2 billion euros for the general scheme and 0.5 billion for A8-A10;
- historically (average 2016-2018), 84% of the initial entitlement is consumed for the general scheme and 61% for A8-A10;
- the estimate of benefits remaining to be paid to claimants at the end of the 2023 financial year is therefore 26.2 billion euros  $((66.1 \times 84\% - 30.2) + (2.3 \times 61\% - 0.5))$ .

### **6.3 – ESTIMATE OF BENEFITS REMAINING TO BE PAID BY THE UNEMPLOYMENT INSURANCE TO RECIPIENTS BENEFITTING OF CONTINUED COMPENSATION**

These benefits apply to jobseekers who, under certain conditions, can receive their benefits until they reach retirement age, the maximum age being 67.

The total amount of benefits still to be paid to these recipients registered at the end of the financial year (24,916 recipients) has been estimated by Unédic's Research and Analysis Department at 1.1 billion euros.

### **6.4 – TOTAL ESTIMATED FINANCIAL COMMITMENT**

Total benefits remaining to be paid to the Unemployment Insurance recipients in receipt of compensation on 31 December 2023 are therefore estimated at 27.3 billion euros.

### **6.5 – OFF-BALANCE SHEET COMMITMENTS RELATED TO THE FURLOUGHING SCHEME**

Unédic has opted for a convergence of methods with the French State and has therefore adopted the model developed by the DGEFP to calculate the amount of off-balance sheet commitments relating to the furloughing scheme ("Activité Partielle" – AP) and long-term furloughing scheme ("Activité Partielle de Longue Durée" – APLD) arrangements on 31 December 2023.

The purpose of the model is to anticipate the volumes of claims for compensation (DI) attributable to decisions to authorise (DA) the use of furloughing scheme in progress on 31 December 2023 and which will be paid in relation to a period of partial unemployment after 1<sup>st</sup> January 2024.

#### **6.5.1 – Input data**

The work is based on a snapshot of data as on 31 January 2024 from the ASP's furloughing scheme IT system (Apart IS). This flow is made up of all the DAs created and submitted since 1<sup>st</sup> March 2020. It includes the initial DAs, any amendments, and all the DIs filed for the months of March 2020 to January 2024.

#### **6.5.2 – Valuation of off-balance sheet commitments and reconciliation with accrued expenses and provisions for charges**

Off-balance sheet commitments correspond to estimates of the DI that will be paid in respect of a DA opened before 31 December 2023 but for a period of partial activity from 1<sup>st</sup> January 2024.

The ADs are thus grouped into 58 different cohorts, according to the end date of the ADs (prior to 31 December 2023 and each month of 2024), and the calculation is carried out according to the following procedure:

→ in order to estimate the change in DIs within the cohorts, we need to start from the residual DIs ("reste consommable") on 31 December 2023 (residual DIs = DIs validated in 2023 - DIs paid in 2020, 2021, 2022 and 2023 - Potential DI top-up disbursed after 31/12/2023 in respect of 2023);



→ these residual DAs and the execution forecasts are distributed over 2024 according to the weight of each cohort. The weight of a cohort is defined as a function of the number of members/EQTP for the cohort compared with the overall number of members/EQTP for all cohorts combined. The more members a cohort has, the higher its share of AD;

→ for each cohort, the commitment for each month corresponds to the minimum between the prorated execution forecast for the cohort in the month in question and the cohort's global residual DA (net of consumption in previous months and estimated potential complements for the cohort, all multiplied by the rate of transformation of DA into DI observed for cohorts that have been extinguished);

This operation is carried out over every month of 2024 (until the cohort is extinguished) and the commitment corresponds to the sum of the monthly commitments.

Using this method, we obtain an amount of off-balance sheet commitments for the AP of 11 million euros and an amount of off-balance sheet commitments for the APLD of 40 million euros, i.e. a total amount of off-balance sheet commitments of 51 million euros, with Unédic's share amounting to less than 17 million euros (33%).

## 6.6 – EXPLICIT GUARANTEE BY UNÉDIC OF LOAN TAKEN OUT BY AGS

In 2020, the French economy was hit by an unprecedented crisis linked to the Covid-19 pandemic. Against this backdrop of reduced revenues (deferral and lower level of contributions from employers, reduced amount of distributions from court-appointed agents) and increased disbursements (extension of the AGS guarantee), the AGS wished to set up a bank loan to enable it to meet the high cash flow requirements expected over the coming period.

Rexecode's forecasts for AGS in September 2020 showed a financial requirement of around €2 billion up to the end of 2021, assuming at the time that the contribution rate remained unchanged at 0.15%.

Under the terms of AGS's financial management mandate and in accordance with the decisions of the Board of Directors dated 30 June 2020, Unédic has set up, in the name and on behalf of AGS, a structured syndicated bank loan to meet AGS's financing requirements over maturities of 3 and 4 years, for a maximum amount of 2 billion euros.

Considering the financial solidarity between the institutions as set out in the Article L. 3253-14 of the French Labour Code, Unédic has also set up an explicit first demand guarantee in favour of the bank syndicate to guarantee the loan taken out by AGS. As an off-balance sheet commitment of Unédic, it is monitored on a regular basis.

The AGS's financial situation, which remained stable in 2020, has even improved in 2021, due in particular to the various support measures deployed for businesses and the strength of the economic recovery.

Consequently, on 31 December 2021, the loan had not been drawn down. For this reason, the terms of the loan were renegotiated at the end of 2021 in order to limit the overall cost to the AGS. Following the annual meeting held on 17 December 2021 between AGS and the syndicate'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 resulted in savings for AGS.

This renegotiation led to the signature of an amendment to the loan agreement on 31 March 2022. As a result of this renegotiation, the Unédic guarantee granted to AGS on Crédit Social is now for a total amount of 500 million euros rather than 1.5 billion euros.

At the end of 2023, the loan had still not been drawn down.

## 6.7 – UNEMPLOYMENT INSURANCE WORKFORCE

On 31 December 2023, Unédic will have 340 employees, including 223 assigned to managing the wage guarantee scheme.

## 6.8 – TRANSACTIONS CARRIED OUT ON BEHALF OF THIRD PARTIES

The employees' claims guarantee management association ("*Association pour la gestion du régime de garantie des créances des salaires*" - AGS), an employers' organisation financed by companies, was set up at the beginning of 1974 to ensure payment of claims arising from employment contracts in the event of a company's receivership or compulsory liquidation. A management agreement has been signed between the Association and Unédic, which is responsible for managing the collection of contributions, making the necessary funds available to court-appointed agents and administrators, recovering the sums advanced and keeping the accounts for these operations (see also 3.4 – Operational management of the wage guarantee scheme). Unédic itself has entered into an agreement with Pôle emploi, signed on 19 November 2008, for the collection of Unemployment Insurance contributions and AGS contributions (*via* the regional offices and Pôle emploi services).

The transfer of collection to Acof generated accounting and financial flows from 2010 as part of two pilot phases. An agreement signed on 17 December 2010 by Unédic, AGS, Acof and Pôle emploi sets out the terms and conditions for the general transfer of the collection of contributions and fees to Acof (now Urssaf Caisse nationale) and its network.

The contribution rate had been set at 0.15% since 1<sup>st</sup> July 2017. Following the decision of the AGS Board of Directors on 27 November 2023, this rate has been increased to 0.20% with effect from 1<sup>st</sup> January 2024.

## 6.9 – STATUTORY AUDITORS' FEES

Fees for statutory audit services in 2023 will amount to €576.3k (including tax) (split equally between the two co-signatory firms, FCN and Grant Thornton), of which €107,000 will be for services other than the certification of accounts.

**STATUTORY  
AUDITORS'  
REPORT**  
**on the annual  
financial  
statements**

# UNÉDIC

## FINANCIAL YEAR ENDING 31 DECEMBER 2023

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

### OPINION

In compliance with the assignment entrusted to us by your Board of Directors, we have audited the accompanying financial statements of Association Unédic for the year ended 31 December 2023.

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 expressed above is consistent with the contents of our report to the Audit Commission.

### BASIS OF OPINION

#### AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities for the Financial Statements".

#### INDEPENDENCE

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from 1<sup>st</sup> January 2023 to the date of issue of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No 537/2014.

In addition, the services other than the certification of the financial statements that we have provided to your Association during the year and which are not mentioned in the management report or the notes to the financial statements are as follows:

- report on findings resulting from agreed procedures relating to the assessment of the internal control system linked to operations managed on behalf of AGS;
- audit report on the accounting statements relating to operations managed on behalf of the AGS;
- moderate assurance report on the "Allocation and Impact Report - Social Issues 2022".

## OBSERVATIONS

Without qualifying our opinion, we draw your attention to the following matters set out in the notes to the financial statements:

- note 1.3 “Financing of Unemployment Insurance” concerning the measures taken to ensure the financing of Unemployment Insurance, taking into account the economic context, structural reforms and their impact on technical equilibrium forecasts;
- note 2.1 “General principles”, which states that Unemployment Insurance is a specific pay-as-you-go scheme, and that the accounts have been prepared in accordance with the chart of accounts for Unemployment Insurance bodies approved by the National Accounting Council. In drawing up the annual accounts, account is therefore taken of the specific features of the declaratory nature of the Unemployment Insurance scheme and the resulting consequences, both in terms of declarations by affiliates and payments to recipients;
- note 2.6.1 “The management mandate on behalf of AGS”, which sets out the new Unédic-AGS agreement signed on 27 June 2023 and taking effect from 1<sup>st</sup> January 2024.

## JUSTIFICATION OF ASSESSMENTS – KEY POINTS OF THE AUDIT

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the financial statements for the year, as well as the responses we have given to these risks.

These assessments were made in the context of our audit of the financial statements taken as a whole and of the formation of our opinion expressed above. We do not express an opinion on any individual component of these financial statements.

## CONTRIBUTIONS COLLECTED BY URSSAF CAISSE NATIONALE

### Identified risk

As indicated in note 2.1 “General principles”, Unédic’s financial statements have been prepared on the basis of financial information produced by the operators responsible for collecting unemployment insurance contributions.

Unemployment insurance contributions are collected on behalf of Unédic mainly by the Urssaf Caisse nationale *via* the Urssaf and Cgss, by the CCMSA for the agricultural sector and by France Travail for special contributions.

From 1<sup>st</sup> January 2022, in accordance with Article 12 of the French Social Security Financing Act for 2022, the Urssaf Caisse nationale will pay the unemployment insurance contributions due on salaries as declared by employers *via* DSN, after applying a flat rate for non-recovery costs of 1.1% set by order. A management fee of 0.1%, set by decree on 23 May 2022, is applied to the sums paid to Unédic.

In this context, and given the uncertainties inherent in the flows managed by third parties and the weight of the contributions managed by the Urssaf Caisse nationale, we considered that the reality, exhaustiveness and correct transcription of the financial information produced by the Urssaf Caisse nationale constituted a key point of the audit, given that this body covers the majority of contributions and compensates for the abolition of the employee share and, partially since the 2023 financial year, the general reductions.

### **Audit procedures implemented in response to this risk**

Pursuant to Article L. 141-10 of the French Financial Jurisdictions Code, we have informed the Court of Auditors of the due diligence and verifications required on the Unemployment Insurance flows and balances, managed on behalf of Unédic, in terms of reality, exhaustiveness, measurement, correct separation of financial years and valuation of contributions, by asking them to provide us with the following information:

- their opinion on the quality of the internal control system deployed by the Urssaf Caisse nationale;
- reasonable assurance on the flows of Unemployment Insurance both in terms of income and receipts.

We had oral discussions with the rapporteurs of the Court of Auditors on 8 February 2024 and 29 April 2024.

As part of 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 results of specific work carried out by the Court of Auditors on the audit trail concerning company declarations and amounts recorded in the accounts.

We have taken note of the report on the certification of the accounts of the General Social Security Scheme published on 17 May 2024, which states that the collection activity has been certified with reservations. A meeting with the Court on 24 May 2024 allowed us to obtain additional information.

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

In addition, by means of tests on internal control and substantive tests, we also ensured that:

- the relevance and effectiveness of the internal controls implemented within Unédic to ensure that the flows managed by the Urssaf Caisse nationale are correctly transcribed;
- the correct transcription of the statements issued by the Urssaf National Fund, the flows of which are reviewed and validated by its certifier;
- correct accounting for the partial non-compensation of the general exemption following the decree of 27 December 2023.

## **UNEMPLOYMENT BENEFITS**

### **Identified risk**

As indicated in note 2.1 "General principles", Unédic's financial statements have been prepared on the basis of financial information produced by the operator responsible for paying benefits.

In accordance with the provisions of law no. 2008-126 of 13 February 2008 on the reform of the public employment service, France Travail managed all Unemployment Insurance benefits.

The financial information produced by Unédic is based on the quality of the procedures implemented within Unédic itself, as well as on France Travail's internal control system and the financial information transmitted by France Travail to Unédic.

In this context and because of the uncertainties inherent in flows managed by third parties, we considered that the reality, exhaustiveness and measurement of Unédic allocations constituted a key point of the audit.

### **Audit procedures implemented in response to this risk**

On 20 July 2023, we issued audit instructions to France Travail's statutory auditors requiring them to perform specific procedures and to give us their opinion on the internal control system and the financial information provided by France Travail to Unédic.

We met with France Travail's statutory auditors to discuss the internal control system on 14 December 2023 and the audit of the financial statements on 17 May 2024.

In order to assess the relevance and adequacy of the information obtained, we reviewed the conclusions of their interim and subsequent work. We ensured that the latter covered all the due diligence procedures that we reported to them.

In addition, the Statutory Auditors of France Travail have provided us with their report entitled "Statutory Auditors' Report on the accounting statements of France Travail relating to the management on behalf of Unédic of contributions from affiliates and payments to beneficiaries" dated 14 June 2024 in respect of the 2023 financial year, which gives a favourable opinion.

By means of tests on internal control and substantive tests, we also ensured that:

- the reliability of the internal controls implemented by Unédic to ensure that France Travail's accounting statements, validated by its Statutory Auditors, are correctly transcribed into Unédic's accounts;
- the consistency of changes with the macro-economic data provided by Unédic's Research and Analysis Department and by France Travail's Statutory Auditors.

## **SPECIFIC VERIFICATIONS**

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Chief Executive Officer and in the other documents addressed to the members of the Board of Directors with respect to the financial position and the financial statements.

## **INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS**

### **APPOINTMENT OF STATUTORY AUDITORS**

We were appointed Statutory Auditors to the Association Unédic by the Board of Directors on 14 January 1994 for the firm FCN and on 29 June 2018 for the firm Grant Thornton.

On 31 December 2023, Grant Thornton was in its 6<sup>th</sup> year of its uninterrupted engagement and FCN in its 30<sup>th</sup> year, including 6 and 14 years respectively since the Association Unédic became a public interest entity pursuant to 6° of 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 the responsibility of Management to prepare financial statements that give a true and fair view in accordance with French generally accepted accounting principles, and to implement such internal control procedures as it determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, it is the responsibility of Management to assess the Association's ability to continue as a going concern, to present in these accounts, where appropriate, the necessary information relating to going concern and to apply the going concern accounting policy, unless the Association is to be wound up or cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems and, where appropriate, the internal audit, in respect of the procedures relating to the preparation and processing of accounting and financial information.

The annual accounts were approved by the Chief Executive Officer.

## **RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO THE AUDIT OF THE FINANCIAL STATEMENTS**

### **AUDIT OBJECTIVE AND APPROACH**

Our responsibility is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, but does not mean that an audit performed in accordance with professional standards should reveal every material misstatement. Misstatements may arise from fraud or error and are considered material when it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions that users of the financial statements make on the basis of the financial statements.

As specified in article L. 821-55 of the French Commercial Code, our role in certifying the accounts is not to guarantee the viability or quality of the management of your association.

In an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit.

In addition:

- it identifies and assesses the risks of material misstatement of the annual accounts, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;



- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the financial statements;
- it assesses the appropriateness of Management's application of the going concern assumption and, based on the information gathered, whether or not there is any significant uncertainty related to events or circumstances that could call into question the Association's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the Association's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the annual accounts concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- it assesses the overall presentation of the annual accounts and whether the annual accounts reflect the underlying transactions and events in such a way as to give a true and fair view.

## REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee setting out, in particular, the scope of our audit and the work programme implemented, together with the conclusions resulting from our work. We also report, where appropriate, on any significant weaknesses in internal control that we have identified in the procedures relating to the preparation and processing of accounting and financial information.

The matters disclosed in the report to the Audit Committee include the risks of material misstatement that we considered to be the most significant to the audit of the annual accounts for the year and, accordingly, to be the key matters arising from the audit, which it is our responsibility to describe in this report.

We also provide the Audit Commission with the declaration provided in Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of the rules applied in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Paris, 21 June 2024

The Statutory Auditors,

**Grant Thornton**  
French member of  
Grant Thornton International

Signé électroniquement le 21/06/2024 par  
CYRIL BROGNIART

Signed with  
 

**Cyril Brogniart**  
Partner

**FCN**

Signé électroniquement le 21/06/2024 par  
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**Publication management**

Christophe Valentie



**Editorial Direction**

Unédic's Information  
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