Paris, le 26 septembre 2008
IASB
30 Cannon Street
LONDON EC4M 6XH

For the attention of D.TWEEDY

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Object : Comments on the Preliminary views on Amendments to IAS 19 Employee Benefits

Dear Sir,

The Crédit Mutuel is pleased to provide its comments on the Discussion Paper of IASB "Preliminary views on Amendments to IAS 19 Employee Benefits".

Scope of the project

We acknowledge that an amendment is needed to provide guidance on presentation and recognition issues related to contribution-based promises with a guaranteed return as those promises cause difficulties and as this is not yet covered by the existing IAS 19. However, we think that only issues related to these specific promises should have been included in the scope.

Indeed, we do not think any other changes in the accounting and presentation for promises that meet the definition of defined contribution plans and defined benefit plans in IAS 19 would provide more useful information to users of financial statements, especially immediate recognition of all changes in defined benefit cost in profit or loss.

These changes lead towards the full fair value which is not consistent with entity management requirements. We expressed this principle based position in our response to the Discussion Paper on IAS 39 "Reducing Complexity in Reporting Financial Instruments". Furthermore, we consider that these amendments would introduce artificial volatility in financial statements.

The IASB is currently considering changes to financial statements presentation. We would rather that all issues related to financial statements presentation be settled as part of this latter project.

Recognition and presentation of defined benefit promises

Any of the three proposed approaches does not seem to be satisfactory or more relevant than those existing already in IAS 19.

We support the corridor approach and the distinction between an expected return and an actuarial gain or loss for the following reasons:

The corridor approach allowed by IAS 19 limits the volatility arising from long horizon of pension plan obligations. Indeed, every model based on variables of long period is very sensitive to parameters choices and any change in these parameters.

In addition, if entities should not divide the return on assets into an expected return and an actuarial gain or loss, entities will recognize immediately all changes in the value of plan assets. But the value of an asset in a particular period does not give a faithful representation if this asset is held for a long period. Above all, regarding equity instruments, their short-term variations do not represent faithfully their long-term performance.

If the corridor approach is still to be eliminated, we think the most appropriate solution would be to recognise gains or losses directly in other comprehensive income as it is the case for available-for-sale financial assets and as it is already permitted in existing IAS 19.

Definition of contribution-based promises

The creation of a new category of "contribution-based promises" including the defined contribution plan category as existing in IAS 19 could be misleading. We would rather maintain the current distinction based on promises with risk assumed by employee on one hand and promises with risk assumed by employer on the other hand.

Existing IAS 19 provides guidance for all categories of promises proposed in France. Any of our promises would be reclassified from defined promises to contribution-based promises.

Other matters - disclosures

We already disclose information in our annual report about our assumptions as the official mortality table. However some additional disclosures could be proposed as those contained in the PAAinE discussion paper "The Financial Reporting of Pensions".

We hope you'll find these comments useful and would be pleased to provide any further information.

Yours sincerely.

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