2023 Universal Registration Document

INCLUDING
THE ANNUAL FINANCIAL REPORT OF BFCM

Crédit Mutuel
Alliance Fédérale

BANQUE FÉDÉRATIVE
Crédit Mutuel

CONTENTS

2023 Universal registration document

including the annual financial report of BFCM

This overall presentation document was prepared by the Banque Fédérative du Crédit Mutuel (BFCM) in connection with widening its investor base, in order to respond to the specific features of some of the markets in which it operates.

In order to provide the same level of information to all investors on the European continent, in North America and in the Asia-Pacific region, BFCM has decided, for greater clarity and readability, to introduce a single universal registration document containing the financial information of Crédit Mutuel Alliance Fédérale (which offers a complete economic view of the group's activities) and that of BFCM (the issuer). This document will be useful for all BFCM refinancing programs (Euro Medium-Term Notes Program; U.S. Medium-Term Notes Program; Euro Commercial Paper; Negociable debt securities)

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer. The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken, to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

The universal registration document was filed on April 11, 2024, with the AMF, as the competent authority under Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of the regulation. The universal registration document can be used for the purposes of a public offering of financial instruments or for the admission of financial instruments to trading on a regulated market if it is supplemented by a note on the financial instruments and, where relevant, a summary and all amendments to the universal registration document are included. These are approved by the AMF in accordance with Regulation (EU) 2017/1129.

This universal registration document is a reproduction of the official version of the universal registration document including the 2024 annual financial report which has been prepared in ESEF (European Single Electronic Format) and is available on our website bfcm.creditmutuel.fr

Words
from senior management

QUESTIONS TO NICOLAS THÉRY & DANIEL BAAL

What is your assessment of 2023?

Crédit Mutuel Alliance Fédérale has confirmed the relevance of its diversified universal banking and insurance model, with record net income of €4.1 billion. This is well above the target set out in the strategic plan completed in 2023.

Backed by the expertise of its 77,300 employees, the mutualist group supports 31.3 million customers and members (+4.0%). Despite the slowdown in demand for credit, retail banking proved highly resilient, while insurance, the group's leading diversification business, continued to grow. The specialized business lines recorded excellent results.

This remarkable performance is based on the efficiency of Crédit Mutuel Alliance Fédérale's decentralized organization. With a cost/income ratio of 57.1%, the group is one of the most profitable and robust in the Eurozone. An advantage that has been further enhanced by the technological investments made to free up time for high value-added advice to customers.

As a benefit corporation, what initiatives did you pursue in 2023?

Already the first bank to have become a benefit corporation, Crédit Mutuel Alliance Fédérale created the societal dividend in 2023 to spearhead the environmental and solidarity revolution. Over the year as a whole, €439 million were devoted to this initiative, representing 12.5% of the group's 2022 net income.

The Environmental and Solidarity Revolution Fund committed €363 million to support entrepreneurial projects aimed at transforming production models. Intervening in the fields of ecological planning, it has no financial return target and focuses exclusively on ecological and/or social added value.

Nicolas Théry
Chairman

The Crédit Mutuel Alliance Fédérale Foundation provided €68 million in funding to associations working to bridge economic, social and ecological divides across the country. By way of illustration, €17.5 million were mobilized to enable major food aid associations to support low-income households faced with rising food prices.

After abolishing the medical questionnaire for borrower insurance for its loyal customers, Crédit Mutuel Alliance Fédérale continues to transform banking and insurance practices. In 2023, €6 million were committed to encouraging soft mobility with the 0% bicycle loan, which already has more than 30,000 beneficiaries. Local sports and cultural associations benefited from nearly €2 million thanks to the full reimbursement of their banking packages.

What economic outlook do you see for your customers in 2024?

The year 2023 was marked by a sharp rise in interest rates, a slowdown in the economy and the intensification of international conflicts. In this respect, the normalization of the cost of risk, back to pre-COVID crisis levels, was widely anticipated. It reflects the end of the massive aid measures deployed during the health crisis.

The deceleration of inflation to a level close to the ECB's target is excellent news, enabling households and businesses to look to the future with confidence and invest. As in 2023, Crédit Mutuel Alliance Fédérale will support all its customers, members and prospects to help them realize their projects and protect them in all areas of banking, insurance and intangible services.

What are your projects for 2024?

The year 2024 marks the launch of our new strategic plan, Togetherness, Performance, Solidarity. On the strength of the transformations initiated in recent years, the group is looking ahead to the coming years guided by major ambitions: the conquest of one million banking customers and eight million policyholders by 2027, and operational efficiency to be THE bank for the environmental and societal revolution.

Daniel Baal
Chief Executive Officer

2023 Key figures

77,280 employees

31.3 million customers

6.3 million members

NEARLY **4,400** branches

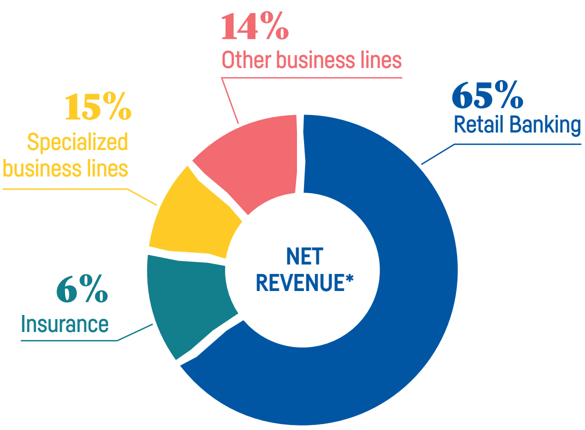
INCOME STATEMENT

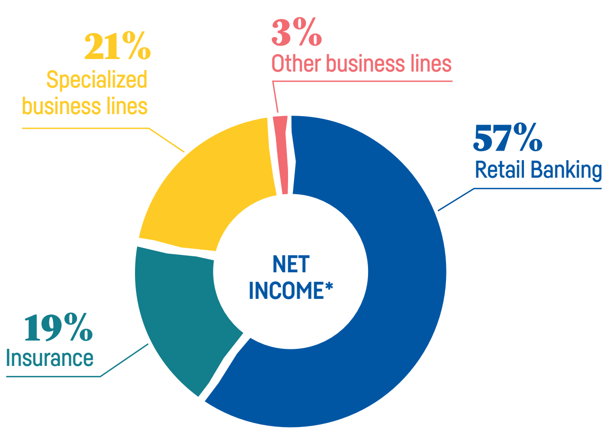
(in € millions)	DECEMBER 2021	DECEMBER 2022 proforma*	DECEMBER 2023
Net revenue	15,923	15,625	**16,060**
Gross operating income	6,787	7,015	**6,887**
Net income	3,527	3,485	**4,115**

Cost/income ratio	57.4%	55.1%	**57.1%**

** As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 – Insurance Contracts at the group level as well as IFRS 9 – Financial Instruments for its insurance entities. In order to have a consistent reference, the data for fiscal year 2022 have been restated on a proforma basis.*

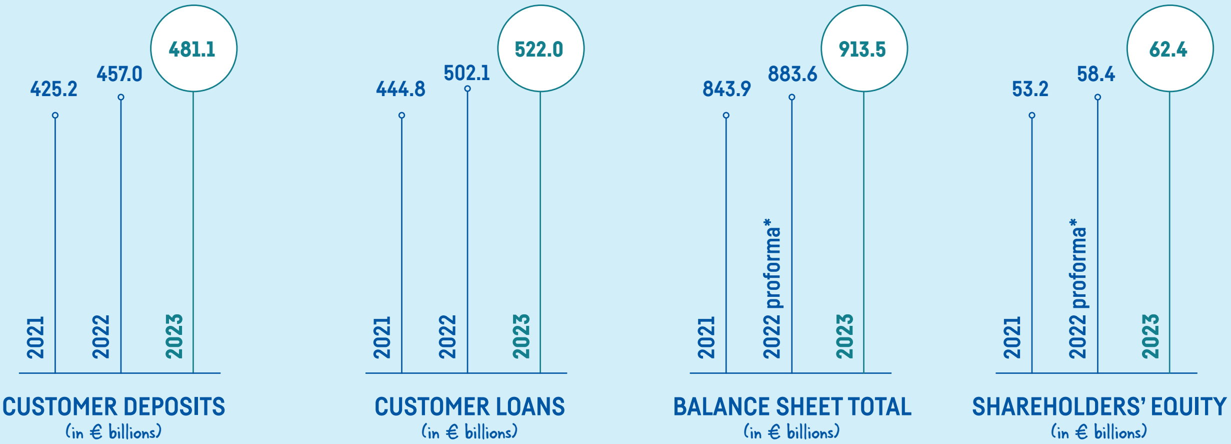
BREAKDOWN OF NET REVENUE AND NET INCOME BY BUSINESS LINE





** Excluding the Holding segment.*

BALANCE SHEET



** Since January 1, 2023, Crédit Mutuel Alliance Fédérale has applied IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments for its insurance activities. In order to have a consistent reference, the data for fiscal year 2022 have been restated on a proforma basis.*

CAPITAL

Data calculated without transitional measures.

	2021	2022	2023
CET1 Ratio	18.8%	18.2%	**18.5%**
Overall solvency ratio	21.7%	20.6%	**20.7%**
Leverage ratio	7.6%	6.6%	**7.1%**
Loans/deposits ratio	104.6%	109.9%	**108.5%**

RATINGS

	Standard & Poor's At 11/22/2023	**Moody's** At 03/08/2024	**Fitch Ratings** At 01/19/2024*
Issuer/ LT preferred senior debt	A+	Aa3	AA-
Outlook	Stable	Stable	Stable
ST Preferred senior debt	A-1	P-1	F1+

Standard & Poor's : Crédit Mutuel group rating.

Moody's : rating for Crédit Mutuel Alliance Fédérale/BFCM and CIC.

Fitch Ratings : Crédit Mutuel Alliance Fédérale rating.

**The "Issuer Default Rating" is stable at A+.*

A RAISON
Ensemble,
[LISTENING AND ACTING TOGETHER]

Our business model

CRÉDIT MUTUEL ALLIANCE FÉDÉRALE
BENEFIT CORPORATION

3 strategic areas 2024 - 2027

Our priority: a spirit of conquest & initiative

OUR RESOURCES and assets

A solid bank that belongs to its customers

6.3 million members

15,232 elected members

One member = one vote

A regional and multichannel bank

Nearly 4,400 branches

25,000 customer account managers

€3,8 billion invested through private equity in the regional real economy

A bank committed to its customers

77,280 employees serving **31.3 million** customers

Powerful brands

Crédit Mutuel, CIC, TARGOBANK, Cofidis

A technological and innovative bank

Euro-Information, a technological subsidiary dedicated to the development of **solutions for today and tomorrow**

- proprietary data centers
- an online bank developed in-house

A solid bank

CET1 ratio of **18.5%**
Net income reserved on an annual basis
€62.4 billion in shareholders' equity

OUR BUSINESS LINES Multi-service banking and insurance

RETAIL BANKING — 57%[1]

Our networks:
Crédit Mutuel, CIC, BECM, Beobank

Consumer finance:
Cofidis Group, TARGOBANK in Germany

Business line subsidiaries:
Factoring and receivables, real estate leasing and equipment finance, real estate

INSURANCE — 19%[1]

Property and personal insurance

Life insurance

Borrower insurance

SPECIALIZED BUSINESS LINES — 21%[1]

Asset management and private banking

Corporate banking

Capital Markets

Private equity

OTHER BUSINESS LINES — 3%[1]

Technology and logistics

Press

(1) Contribution of the operational business lines to net income 2023 excluding the "Holding" segment.
(2) Crédit Mutuel and CIC networks.
(3) Social base scope France. Cumulative collective salary increases from January 2022 to January 2024.
(4) Human resources scope including Crédit Mutuel Alliance Fédérale federations, CIC banks and social base subsidiaries.
(5) Including Group mobility.
(6) French banking groups.
(7) See Mission Committee report - chapter 3.
The data for this business model are at the end of 2023.

D'ÊTRE :
écouter & agir

5 missions that guide our actions on behalf of our members and customers and contribute to the common good

Our commitment: be at the forefront of ecological & societal transformation

A winning trio: employees, elected members & technology

TOGETHERNESS — PERFORMANCE — SOLIDARITY

OUR diversified OFFERS

CONSULTING
Our offer is based on dedicated advice for each of our customers' needs

FINANCING
Financing tailored to the life and development projects of our customers

INSURANCE
Daily protection for our customers and their families, their assets, their professional activity or their company

SAVINGS & INVESTMENTS
Solutions to anticipate and prepare for the future

MULTI-SERVICE OFFER
Local partner and facilitator of our customers' projects

OUR VALUE CREATION

A long-term commitment to our customers
€522 billion in outstanding loans
9 out of 10 credit decisions taken locally[2]
37 million insurance contracts

High-quality, multi-channel proximity to customers
A dedicated account manager for each customer
Saving administrative time for our advisors thanks to technology: **2.57 million** hours freed up including 35% from AI
95.5% of routine processes can be carried out remotely

A strong social contract serving collective performance
+8.6% collective salary increases[3] to limit the effects of inflation
6.58% of payroll expense invested in training[4]

A company that acts in the interest of society
75% of net revenue generated in France
More than **6,500** hires with open-ended contracts[5]
€3.1bn taxes and social security contributions paid in France

A sustainable and efficient company
Net revenue of **€16.1bn** and net income of **€4.1bn**
Industry leading operational efficiency[6] with a cost/income ratio of **57.1%**

Concrete actions for the climate
Carbon footprint reduction for loan and investment portfolios
Plan for **coal phase-out** by 2030
No further financing for new oil and gas projects from 2021, and from July 2024 for energy producers without a proven trajectory of reduced hydrocarbon production

Financial performance serving collective utility: the societal dividend
Mobilization of **15%** of consolidated net income
Financing of **environmental and solidarity-based** transformation projects[7] (impact investments, solidarity services and donations)
€439m mobilized in 2023

CRÉDIT MUTUEL ALLIANCE FÉDÉRALE, THE FIRST

Benefit corporation BANK

Benefit corporation 1st BANK

A mutualist, ethical, supportive and responsible bank,
Crédit Mutuel Alliance Fédérale stands out as a benefit corporation.

Our 5 missions and our 15 concrete commitments

1 AS A COOPERATIVE AND MUTUALIST ORGANIZATION, WE SUPPORT OUR CUSTOMERS AND MEMBERS WITH THEIR BEST INTERESTS

2 AS A BANK FOR ALL, MEMBERS AND CUSTOMERS, EMPLOYEES AND ELECTED MEMBERS, WE ACT FOR EVERYONE AND REFUSE ANY DISCRIMINATION

3 RESPECTFUL OF EVERYONE'S PRIVACY, WE PLACE TECHNOLOGY AND INNOVATION AT THE SERVICE OF PEOPLE

4 AS A SOLIDARITY-BASED COMPANY, WE CONTRIBUTE TO REGIONAL DEVELOPMENT

5 AS A RESPONSIBLE COMPANY, WE ACTIVELY WORK FOR A FAIRER AND MORE SUSTAINABLE SOCIETY

Commitments to improving our impact on the environment around us:

1. Bring democracy to life in the bank by doubling the number of members voting at Shareholders' Meetings
2. Guarantee to each customer a dedicated, non-commissioned advisor
3. Give more room to young people and move closer to parity in the Board of Directors from 2022

4. Train all our employees and elected members in the fight against discrimination
5. Recruit 25% of work-study students from priority neighborhoods and rural areas
6. Defend gender pay equality at all levels of the bank

7. Guarantee the privacy of our customers' data in processing 99% of their information in our infrastructures and systems located in France
8. Invest productivity gains from artificial intelligence in employment and development

9. Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at banks and branches
10. Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers
11. Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions

12. Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12%*
13. Promote the energy transition by no longer financing new oil and gas projects
14. Insure the home loan of our loyal customers without any medical formalities
15. Committing to customers in financial difficulty with an account at €1 net per month with no incident fees

*By the end of 2022 - France scopes 1, 2 and 3 energy consumption, refrigerant gas leaks, motor fleet and business travel.

A NEW VISION OF VALUE SHARING: the societal dividend

for a more sustainable and supportive society

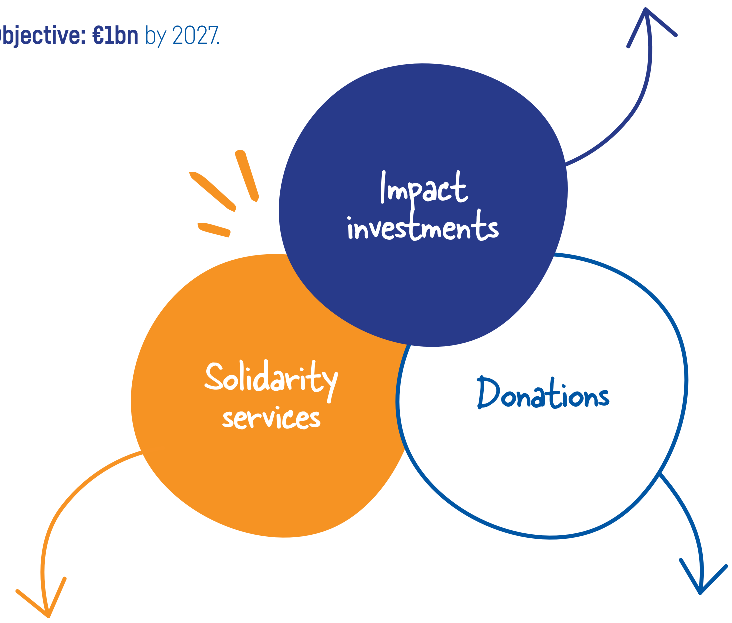
Faced with the scale of the climate crisis and widening inequalities, Crédit Mutuel Alliance Fédérale created the **societal dividend** in January 2023 to meet the challenge of solidarity and open up a new stage in its proven mutualism.

Each year, **15% of its net income** will be mobilized to finance projects that help combat global warming and social inequalities. This sustainable, concrete and verifiable measure represents an unprecedented commitment estimated at **€2.5 billion** over the 2024-2027 TOGETHERNESS PERFORMANCE SOLIDARITY strategic plan horizon.

3 pillars :

The Environmental and Solidarity Revolution Fund finances initiatives with high environmental or societal added value, with no prior return objective. It is involved in the key areas of ecological planning: mobility, housing, agriculture, consumption, industry and biodiversity.

Objective: €1bn by 2027.



Deployment of inclusive banking and insurance services, such as the elimination of the health questionnaire for home ownership by those who are or have been ill, or subsidized pricing for vulnerable customers.

Major support for worthy local, regional and national causes notably through the Crédit Mutuel Alliance Fédérale Foundation, which makes it one of the largest corporate foundations in France.

CONCRETE ACTIONS FROM **2023**:

The Environmental and Solidarity Revolution Fund has committed €363 million to structuring projects with a high environmental impact, aimed at:

- Preserving ecosystems and biodiversity (acquisition of the Dambach forest);
- More sustainable production thanks to renewable energies (blue energy with Sweetch Energy, waste fossilization with Néolithe, biogas liquefaction with Sublime Énergie, plasma-catalysis to convert gases into molecules of interest with Energo, industrial cold production without fluorinated gases with Alpinox X);
- Better nutrition through healthy or organic food (Agrilife Studio);
- Better housing through shared accommodation (co-living with Colonies).

5-fold increase in donation volume, with projects funded for a total of €68 million

From local projects supported by the Caisse de Crédit Mutuel to major initiatives supported by the **Crédit Mutuel Alliance Fédérale Foundation:**

- including €17.5 million to support food aid associations hard hit by inflation (Restos du Cœur, the French Red Cross and food banks);
- including €2.5 million for 36 projects by associations working to preserve French ecosystems.

€8 million mobilized for the transformation of banking and insurance practices

- **€6 million** for soft mobility with the 0% bicycle loan (over 30,000 beneficiaries);
- **€2 million** for sports and cultural associations: reimbursement of 100% of their banking packages

Our strategic plan

In response to the economic, monetary, digital, ecological and geopolitical revolutions we are experiencing, Crédit Mutuel Alliance Fédérale is stepping up its development ambitions to harness its financial performance for the benefit of society.
The 2024-2027 plan embodies, even more forcefully, our proven mutualism.

TOGETHERNESS
PERFORMANCE
SOLIDARITY

3 strategic areas

Our priority

A SPIRIT OF CONQUEST & INITIATIVE

To be the all-risk banker and insurer for all customers and prospects, by developing and strengthening our multi-service strategy

Offer all our services to all our existing and prospective customers
- Prioritize insurance for all markets: individuals, professionals, associations, farmers and businesses.
- Accelerate the payment strategy and extend it beyond the French networks.

Achieve 100% autonomy for our existing and prospective customers
- Increase digital sales by 20% to complement physical networks

Change dimension in the corporate market
- Establish a global relationship with companies, supporting them in their projects in France and abroad by reinforcing their expertise and technological investments, and increasing the risk profile of their commitments.
- Reorganize asset management around a dedicated center of expertise.

Roll out our «bancassurance» model in Europe
- In Germany (TARGOBANK), in Belgium (Beobank), in Europe (Cofidis Group).

Our commitment

BE AT THE FOREFRONT OF ECOLOGICAL & SOCIETAL TRANSFORMATION

Drive the ecological and societal revolution by supporting customers' ecological transformation and contributing to the decarbonization of the economy:

Reduce the carbon footprint of our balance sheet and our activities, in compliance with the Paris Agreement
- 20% reduction in the carbon footprint of our balance sheet by deepening our sectoral and investment policies.
- A Mutualist Institute for the Environment and Solidarity, the group's center of expertise in ESG areas.

Support the ecological transformation of all our customers and businesses
- Prioritize eco-renovation: 100,000 customers supported by 2027.
- Support farmers and winegrowers.

Create and share value through the societal dividend
- 15% of net income mobilized for ecological transformation and social and regional solidarity through impact investments, banking and insurance solidarity services and donations.

A winning trio

EMPLOYEES, ELECTED MEMBERS & TECHNOLOGY

With the support of this trio: the men and women who make up the wealth of our group and technology, we will TOGETHER build a stronger, more efficient and more united group.

Attract, support and retain our employees and elected members throughout their lives
- 100% of employees and elected members committed to the ecological transformation.
- Enhance the skills of employees through professional training and the knowledge of elected members through the Mutualist University.

Resolutely adopt technological innovation to enhance our performance
- Offer all customers, prospects and employees relevant advice, data security and ease of use: Euro-Information's mission.
- Accelerate the technologies of the future: artificial and quantum intelligence. Constantly innovate to master the technologies of the future and ensure that they guarantee the group's sovereignty.

Continuously improve our organization and processes to increase efficiency
- Strengthen network expertise, with a target of 80% of Crédit Mutuel local banks and CIC branches having at least seven employees.
- Significantly reduce time-to-market for new solutions in all the group's business lines and for all customer segments.

Performance indicators 2027

Because we are a mutualist group, performance goes hand in hand with solidarity and our biggest strength is **our togetherness.**

Togetherness

- **>75%** employees and elected members who are proud of their company
- **50%** women managers in the Group
- **50%** women in the Group's governance bodies[1]
- **>30%** work-study trainees recruited from priority neighborhoods or rural areas

Performance

- **€19bn** Net revenue
- **54%** Cost/income ratio
- **€5bn** Net income
- **€0.5** Net income per €100 of assets
- **≤110%** Loan/deposit ratio
- **>15M** "Bancassurance" customers[2] and 8m in insurance[3]

Solidarity

- **15%** of Group net income invested each year in the societal dividend
- **20%** reduction in the carbon footprint of the balance sheet[4]
- **100%** of employees and elected members committed to ecological transformation

(1) Group management committees, boards of directors and supervisory boards of the umbrella structures of Crédit Mutuel Alliance Fédérale. Average target for the Group. The individual objectives of each entity take into account the reality of the labor market for that activity.
(2) Scope of French network.
(3) Customers with a major product.
(4) Scope: all loan and investment portfolios.

Our business lines

Crédit Mutuel Alliance Fédérale, a leading bank-insurer, provides a multi-service offering to its individual and professional customers and its members adapted to their projects.

Retail Banking

Crédit Mutuel Alliance Fédérale's core business line

Retail banking includes **Crédit Mutuel Alliance Fédérale's banking and insurance networks** through the local Crédit Mutuel banks of the 14 federations, the **CIC** branches and points of sale, **Banque Européenne du Crédit Mutuel** (BECM) and **Beobank**. Crédit Mutuel Alliance Fédérale offers specific banking products and services to a customer base of individuals, professionals, farmers, associations and companies adapted to the realization of their projects.

Through **Cofidis Group** and **TARGOBANK** in Germany, specialists in **consumer finance,** Crédit Mutuel Alliance Fédérale offers its individual and corporate customers personalized advice in revolving credit and personal loans, payment solutions, insurance, in-store and online receivables and financing, factoring and leasing.

Drawing on the expertise and know-how of its **business line subsidiaries,** Crédit Mutuel Alliance Fédérale offers a range of products and services mainly marketed by the networks: factoring (Crédit Mutuel Factoring and Factofrance), equipment and real estate leasing (Crédit Mutuel Leasing, CCLS, Crédit Mutuel Real Estate Lease), real estate sales and management (Crédit Mutuel Immobilier).

4
local banking networks
Crédit Mutuel · CIC · Banque Européenne Crédit Mutuel · beobank

Consumer finance
Cofidis Group · TARGOBANK

Business line subsidiaries
Factoring and receivables, real estate and equipment leasing, real estate

RETAIL BANKING OFFERING RECOGNIZED

Crédit Mutuel

No.1

in customer relations[1]

(1) Bearing point-Kantar 2024 customer relationship podium.

Insurance

Insuring each customer in each of their needs

As major player in insurance and social protection in France, Crédit Mutuel Alliance Fédérale *via* the **Assurances du Crédit Mutuel** (GACM), covers the needs of individual, professional and corporate customers by offering them everyday insurance solutions to protect their families, their assets, their professional activity or their business.
In life insurance, the wide range of products can be adapted to the customer's objectives: financing projects, preparing for retirement or passing on capital.

Crédit Mutuel has been on the podium of the benchmark insurance barometer for five years[1].

Specialized business lines

Supporting more specific needs

In addition to the bank-insurance offering, Crédit Mutuel Alliance Fédérale meets the strategic challenges of large corporate customers, institutional customers and corporate executives through offers in four business lines:

- **Crédit Mutuel Alliance Fédérale's asset management and private banking business line encompasses:**
  - Five asset management entities (Crédit Mutuel Asset Management, Crédit Mutuel Gestion, Crédit Mutuel Épargne Salariale, CIC Private Debt and Cigogne Management) and the Crédit Mutuel Investment Managers distribution platform;
  - La Française Group, comprising five asset management companies and a distribution platform;
  - Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).
- **Corporate banking** (structured financing activity, large co - CIC Corporate - and an international activities department)
- **Capital Markets** (commercial markets activity, Investment and back office activity)
- **Private equity** *via* Crédit Mutuel Equity

Technology, logistics, press

Key areas of expertise

Euro-Information, the technological subsidiary of Crédit Mutuel Alliance Fédérale, provides customers and employees with innovative and efficient tools and services and places data protection at the heart of its strategy.

With the **EBRA group,** Crédit Mutuel Alliance Fédérale is the leading regional daily press group in France.

(1) OpinionWay/Argus barometers on awareness, image and attractiveness of insurers.

Because 80% of the waste in the oceans comes from inland, the Crédit Mutuel Alliance Fédérale Foundation supports several missions of the **Wings of the Ocean** association to protect marine biodiversity and natural coastal ecosystems.

1

Presentation of Crédit Mutuel Alliance Fédérale and BFCM

PREAMBLE

As of December 31, 2023, Crédit Mutuel Alliance Fédérale had 31.3 million customers, almost 4,400 branches and 77,300 staff.

A local mutualist bank, Crédit Mutuel Alliance Fédérale is now an alliance of 14 federations and has more than 31 million members and customers. Caisse Fédérale de Crédit Mutuel is the technical and financial cooperative tool shared by 1,462 Crédit Mutuel banks. Thus as at December 31, 2022, Crédit Mutuel Alliance Fédérale is made up of 1,462 Crédit Mutuel local banks, 13 regional banks, 14 federations, Caisse Fédérale de Crédit Mutuel (CFCM), Banque Fédérative du Crédit Mutuel (BFCM) and its subsidiaries.

Crédit Mutuel Alliance Fédérale is affiliated with the Confédération Nationale du Crédit Mutuel, a central body whose purpose is to represent the rights and common interests of the Crédit Mutuel group to the public authorities. The Confédération Nationale du Crédit Mutuel is responsible for ensuring the coherence of the Crédit Mutuel network and the proper functioning of the institutions and companies affiliated with it.

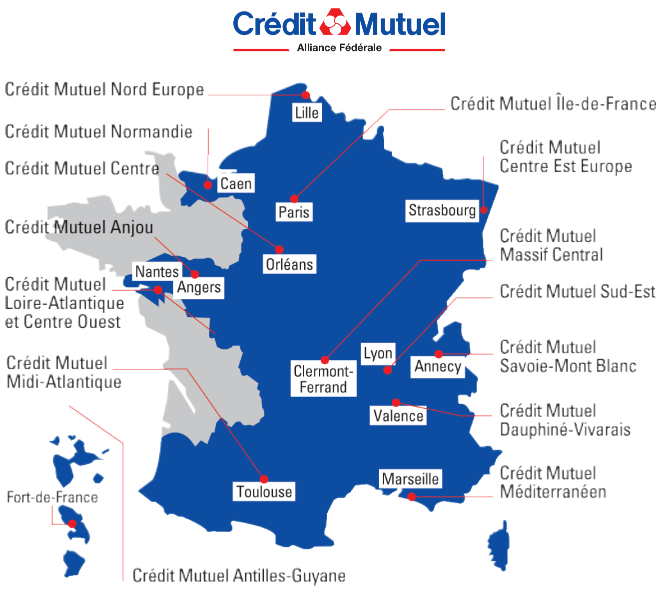
Crédit Mutuel Alliance Fédérale is an important marketing network for the products and services of the specialized subsidiaries directly or indirectly owned by BFCM. The latter reward the business flows brought in through the payment of commissions to the local banks.

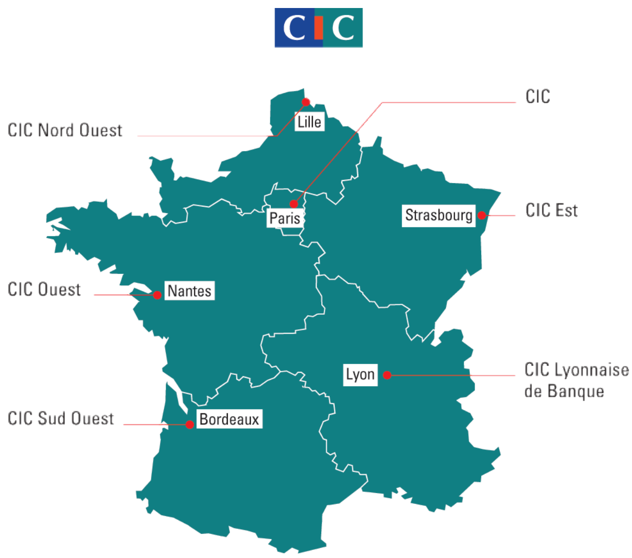
Crédit Mutuel Alliance Fédérale's consolidated financial statements provide a comprehensive overview of the Group's activities. They include entities not included in the consolidation scope of BFCM alone, in particular the network of local banks, ACM VIE SAM (mutual insurance company), IT subsidiaries and the GIE Centre de Conseil et de Services (CCS).

1.1 ORGANIZATION OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

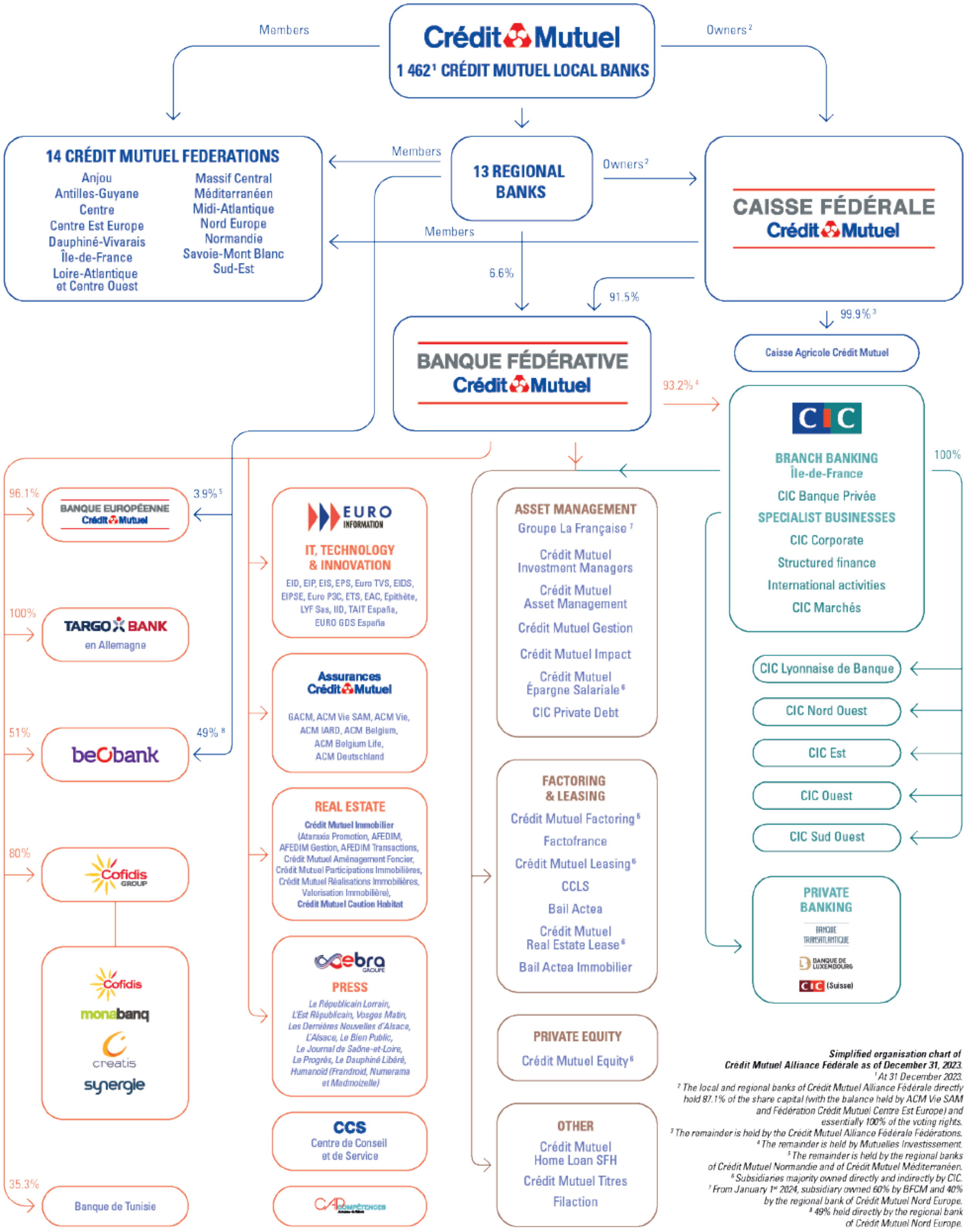
Crédit Mutuel Alliance Fédérale's organization reflects its status as a cooperative bank and its local presence close to its customers and members.

The territorial network favors at each level – local, regional, national – a greater involvement of employees and elected officials to ensure a high level of responsiveness and better service to customers and members. It allows for a short decision-making circuit, a good distribution of risks and quality control. The various levels of Crédit Mutuel Alliance Fédérale operate according to the principle of subsidiarity: at the level closest to the member, the local bank is a genuine local player, with the other levels carrying out the tasks that a local bank cannot itself assume.





SIMPLIFIED ORGANIZATION CHART OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE



Simplified organisation chart of Crédit Mutuel Alliance Fédérale as of December 31, 2023.

[1] At 31 December 2023.

[2] The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights.

[3] The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations.

[4] The remainder is held by Mutuelles Investissement.

[5] The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen.

[6] Subsidiaries majority owned directly and indirectly by CIC.

[7] From January 1st 2024, subsidiary owned 60% by BFCM and 40% by the regional bank of Crédit Mutuel Nord Europe.

[8] 49% held directly by the regional bank of Crédit Mutuel Nord Europe.

1.1.1 Crédit Mutuel banks or local banks

The banks of Crédit Mutuel, which are either cooperative associations depending on their geographical location (departments 57 – Moselle, 67 – Bas-Rhin, 68 – Haut-Rhin) or cooperative credit companies with variable capital (all other departments), form the basis of Crédit Mutuel Alliance Fédérale. They are credit institutions under the French Monetary and Financial Code.

These local banks are legally autonomous, in compliance with banking regulations, and perform the functions of a retail bank: they collect savings, grant loans and offer various financial services. This autonomy promotes responsiveness and quality of service. Caisse Fédérale de Crédit Mutuel (see below) centralizes all the banks' deposits and ensures their refinancing.

Their capital is held by the members, who are both partners and customers: any customer can subscribe to an A share – amounting to €15 – and thus become a member of the cooperative that is their local bank and vote at its Shareholders' Meeting according to the "one person, one vote" principle. Each member can therefore take part in decisions and elect their representative directors. These elected volunteers, operating at the three levels of Crédit Mutuel – local, regional and national – assume responsibility and control of the Group. They represent the members, are attentive to their needs and their projects.

At December 31, 2023, the banking and insurance network of Crédit Mutuel's banks had 1,462 local banks and 2,140 branches, as well as 8.8 million customers, of which 6.3 million members.

1.1.2 Federations

The federations are entities with the status of associations to which the local banks must belong. Political bodies, they determine the group's main strategic orientations, and organize the solidarity between the banks. They represent Crédit Mutuel in their region.

As at December 31, 2023, Crédit Mutuel Alliance Fédérale had 14 member federations: Crédit Mutuel Centre Est Europe (Strasbourg), Crédit Mutuel Île-de-France (Paris), Crédit Mutuel Midi-Atlantique (Toulouse), Crédit Mutuel Savoie-Mont Blanc (Annecy), Crédit Mutuel Sud-Est (Lyon), Crédit Mutuel Loire-Atlantique et Centre-Ouest (Nantes), Crédit Mutuel du Centre (Orléans), Crédit Mutuel Normandie (Caen), Crédit Mutuel Méditerranéen (Marseille), Crédit Mutuel Dauphiné-Vivarais (Valence), Crédit Mutuel Anjou (Angers), Crédit Mutuel Massif Central (Clermont-Ferrand), Crédit Mutuel Antilles-Guyane (Fort de France) and Crédit Mutuel Nord Europe (Lille).

These federations have gradually established partnerships approved by the supervisory bodies, which have resulted in Caisse Fédérale du Crédit Mutuel Centre Est Europe becoming a joint bank: Caisse Fédérale de Crédit Mutuel (CFCM).

1.1.3 Caisse Fédérale de Crédit Mutuel

Caisse Fédérale de Crédit Mutuel (CFCM) is a corporation with the status of a cooperative banking company (*société anonyme à statut de société coopérative de banque*). It is responsible for all services common to the network and ensures its coordination. CFCM centralizes all the local banks' deposits and in parallel ensures their refinancing, while fulfilling regulatory requirements on their behalf (compulsory reserves, allocated deposits, etc.).

CFCM has used its financial and logistical support resources on behalf of the banks of the 13 other federations through partnership agreements signed between 1993 and 2022.

On a regulatory, technical and financial level, CFCM holds a collective license to operate as a credit institution that benefits all the local banks affiliated to it in line with the French Monetary and Financial Code.

In addition, it is responsible for the solvency and liquidity of the regulatory perimeter and for Group-wide compliance with banking and financial regulations, pursuant to Article R.511-3 of the French Monetary and Financial Code.

In this way, CFCM provides local banks with financial functions such as liquidity management as well as technical, legal and IT services, either directly or through BFCM subsidiaries (insurance, leasing).

CFCM is held jointly by the Crédit Mutuel banks, ACM VIE, SA in mutual form and the federations.

On September 7, 2020, an Extraordinary Shareholders' Meeting approved several statutory amendments, including the adoption of a ***raison d'être*** and the qualification as a **benefit corporation** in its company purpose.

Ensemble, écouter et agir (listening and acting together) has become the *raison d'être* for the five missions now included in the articles of association of Caisse Fédérale de Crédit Mutuel and CIC. Crédit Mutuel Alliance Fédérale has thus become the first bank to adopt the status of a benefit corporation.

1.1.4 Banque Fédérative du Crédit Mutuel

BFCM has several key business activities:

- it owns the group's subsidiaries and coordinates their activities: it directly and indirectly holds 100% of Crédit Industriel et Commercial, the holding company of the CIC and network head which also performs investment, corporate and market activities, a 50.04% stake in GACM SA, which controls the ACM IARD SA and ACM VIE SA companies, and which designs and manages product ranges in property and liability insurance, life insurance and health insurance. Finally, it holds specialist banks in France and abroad, in particular Banque Européenne du Crédit Mutuel (BECM), Cofidis Group, TARGOBANK in Germany, Crédit Mutuel Asset Management, Crédit Mutuel Factoring, La Française Finance Services since January 1, 2024;
- it also serves as the refinancing facility for Crédit Mutuel Alliance Fédérale and thus acts on the financial markets as an issuer of financial instruments in the short-term and medium long-term. Crédit Mutuel Alliance Fédérale's central cash management is based on appropriate calibration of resources in the short, medium and long term with the objective of refinancing the Group in an efficient and prudent manner. This is ensured *via* public issues and private

placements on national and international markets as well as by holding a liquidity reserve that complies with regulatory liquidity ratios and the Group's resistance to severe stress. BFCM also hedges interest rate risks on behalf of the Group and its subsidiaries.

- BFCM acts as custodian mainly for Undertakings for Collective Investment (UCI) of Crédit Mutuel Alliance Fédérale's management companies. The role of the custodian consists in preserving the interest of the unit-holders of UCIs by ensuring the regularity of the management decisions. In this capacity, BFCM is responsible for three regulatory tasks: (i) asset custody, *i.e.* the safekeeping and record-keeping of other securities (forward financial instruments and other pure registered financial instruments); (ii) ensuring the regulatory compliance of UCI management decisions; (iii) cash flow monitoring. BFCM contractually performs liability management for the UCIs, if the management has been entrusted by the management company.

BFCM is affiliated with Confédération Nationale du Crédit Mutuel.

1.1.5 Governance within Crédit Mutuel Alliance Fédérale

Crédit Mutuel Alliance Fédérale does not have one single deliberative body. Each Crédit Mutuel bank appoints a Board of Directors composed of voluntary members elected by the members at a Shareholders' Meeting. The banks then elect their representative at the federation level from among these members. The Chairman of the Federation (or of a District for the Fédération du Crédit Mutuel Centre Est Europe) may become a member of the Board of Directors of Caisse Fédérale de Crédit Mutuel and its subsidiary, BFCM.

Bearing these factors in mind, the "Corporate Governance" chapter will present two reports on corporate governance: one for the CFCM as a representative of the consolidating parent company and one for BFCM.

Furthermore, the internal control procedures and those to combat money laundering and the financing of terrorism are homogeneous within Crédit Mutuel Alliance Fédérale.

1.2 THE CRÉDIT MUTUEL GROUP

The Crédit Mutuel group which is a leading supplier of banking and insurance services in France for the Crédit Mutuel network and all its subsidiaries is grouped under the network's umbrella body: Confédération Nationale du Crédit Mutuel (CNCM). CNCM has the task of defending the common interests of the Crédit Mutuel group, whose central bank acts as its financing tool.

Crédit Mutuel is a cooperative group which is notably governed by the law of September 10, 1947. It belongs to its members who hold its capital and direct its strategy under a democratic functioning method.

1.2.1 Regional groups

The Crédit Mutuel group comprises the Crédit Agricole et Rural (CMAR) federation – and four regional groups comprising 18 federations:

- Crédit Mutuel Alliance Fédérale comprising 14 regional federations grouped around Caisse Fédérale de Crédit Mutuel;
- the Crédit Mutuel Arkéa group and its two regional federations, together forming Caisse Interfédérale Crédit Mutuel Arkéa: Bretagne (Brest), and Sud-Ouest (Bordeaux);
- the Crédit Mutuel Maine-Anjou, Basse-Normandie regional group (Laval);
- the Crédit Mutuel Océan regional group (La Roche-sur-Yon).

This federal bank may be inter-federal, as is the case for Caisse Fédérale de Crédit Mutuel and for Caisse Interfédérale Crédit Mutuel Arkéa. The local banks and the federal bank, in which they are shareholders, are members of the regional federation. The federation is the strategy and control body which represents Crédit Mutuel in its region. The federal bank provides financial functions such as liquidity management and technical and IT services. The federations and the federal banks are managed by boards elected by the local banks.

1.2.2 Confédération Nationale du Crédit Mutuel

Confédération Nationale du Crédit Mutuel (CNCM) is the network's central body in respect of the French Monetary and Financial Code. The 18 regional federations, the Crédit Mutuel Agricole et Rural (CMAR) federation, the Caisse Centrale du Crédit Mutuel (CCCM) are members of the CNCM. The Crédit Mutuel local banks and the BFCM are affiliated to it. CCCM, a national financial body structured as a credit institution, manages the intervention fund intended to be used in the event that Crédit Mutuel's financial solidarity is called into question. Its capital is held by all of Crédit Mutuel's federal or inter-federal banks.

1.2.3 Solidarity links within the Crédit Mutuel group and Crédit Mutuel Alliance Fédérale

The Crédit Mutuel solidarity scheme aims to ensure the continuous liquidity and solvency of all establishments affiliated to CNCM, in order to prevent defaults. It is based on a set of rules and mechanisms set up at regional group level and at confederal level.

There is unlimited solidarity between CNCM affiliates including Crédit Mutuel Alliance Fédérale, CFCM and BFCM.

1.2.4 Provisions applicable at regional group level

Crédit Mutuel Alliance Fédérale's solidarity mechanism is based on Article R.511-3 of the French Monetary and Financial Code, independently of the statutory provisions relating to the joint and several liability of members up to the nominal value of the members' shares subscribed by the member.

Each federation must set up a solidarity mechanism between the local banks within its territorial jurisdiction.

This mechanism must enable a local bank to avoid a long-term deficit and/or restructure a deteriorated situation. It ensures the equalization of the earnings of member banks through a federal fund maintained by contributions and subsidies. The obligation to contribute applies to all funds (including the federal or inter-federal fund), or only to funds with positive results, depending on the rules of the relevant federal fund in force. Contributions, which preserve equalization, and subsidies are meant to cover losses recognized during the year and any tax losses carried forward. Equalization subsidies must include the amounts needed to pay for the compensation of shares. Subsidies from the federal fund are normally repayable.

Implementation of restructuring measures at regional group level

A mechanism that is reviewed and updated annually enables the regional group to monitor a number of key indicators included in the risk appetite framework adopted by the CNCM Board of Directors and implement the corrective measures stated in the restructuring plan should the indicators be exceeded.

In the event of difficulty, under the oversight of the CNCM, a regional group may request the assistance of another regional group for the implementation of the restructuring plan and for other reasons.

If no regional solidarity solution has been put in place or has not restored compliance with the key indicators within the timeframe set out in the restructuring plan, or if objective evidence suggests in advance that the implementation of such solutions would prove insufficient, the national solidarity mechanism shall be implemented.

1.2.5 Provisions applicable at national level

Confédération Nationale du Crédit Mutuel is in particular responsible for ensuring the coherence of its network and the proper functioning of the institutions affiliated to it. To this end, it must take all necessary measures, specifically to ensure the liquidity and solvency of each of said institutions, as well as the entire network (Article L.511-31 of the French Monetary and Financial Code).

According to the terms set by the decisions of general nature, interventions required can be decided by the CNCM Board of Directors if ultimately the mechanisms at regional group level are insufficient to deal with the potential difficulties that a group or any CNCM affiliate may face.

1.3 PRESENTATION OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE'S BUSINESS LINES

ORGANIZATION OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE'S BUSINESS LINES

Crédit Mutuel Alliance Fédérale

CONTRIBUTION OF THE OPERATIONAL BUSINESS LINES[1] TO 2023 NET INCOME

Retail bank

Local banking networks

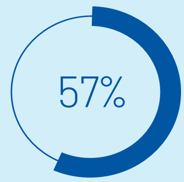
- Crédit Mutuel
- CIC
- BECM *(Banque Européenne du Crédit Mutuel)*
- Beobank

Consumer finance

- Cofidis Group
- TARGOBANK in Germany

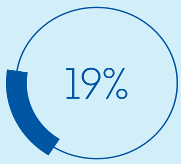
Business line subsidiaries

- Leasing
- Factoring
- Real estate
- Others



Insurance

Groupe des Assurances du Crédit Mutuel (GACM)



Specialized business lines

Asset management and private banking

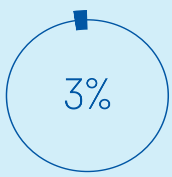
Corporate banking

Capital markets

Private equity

Other business lines

- Technology (Euro-Information)
- Logistics
- Press



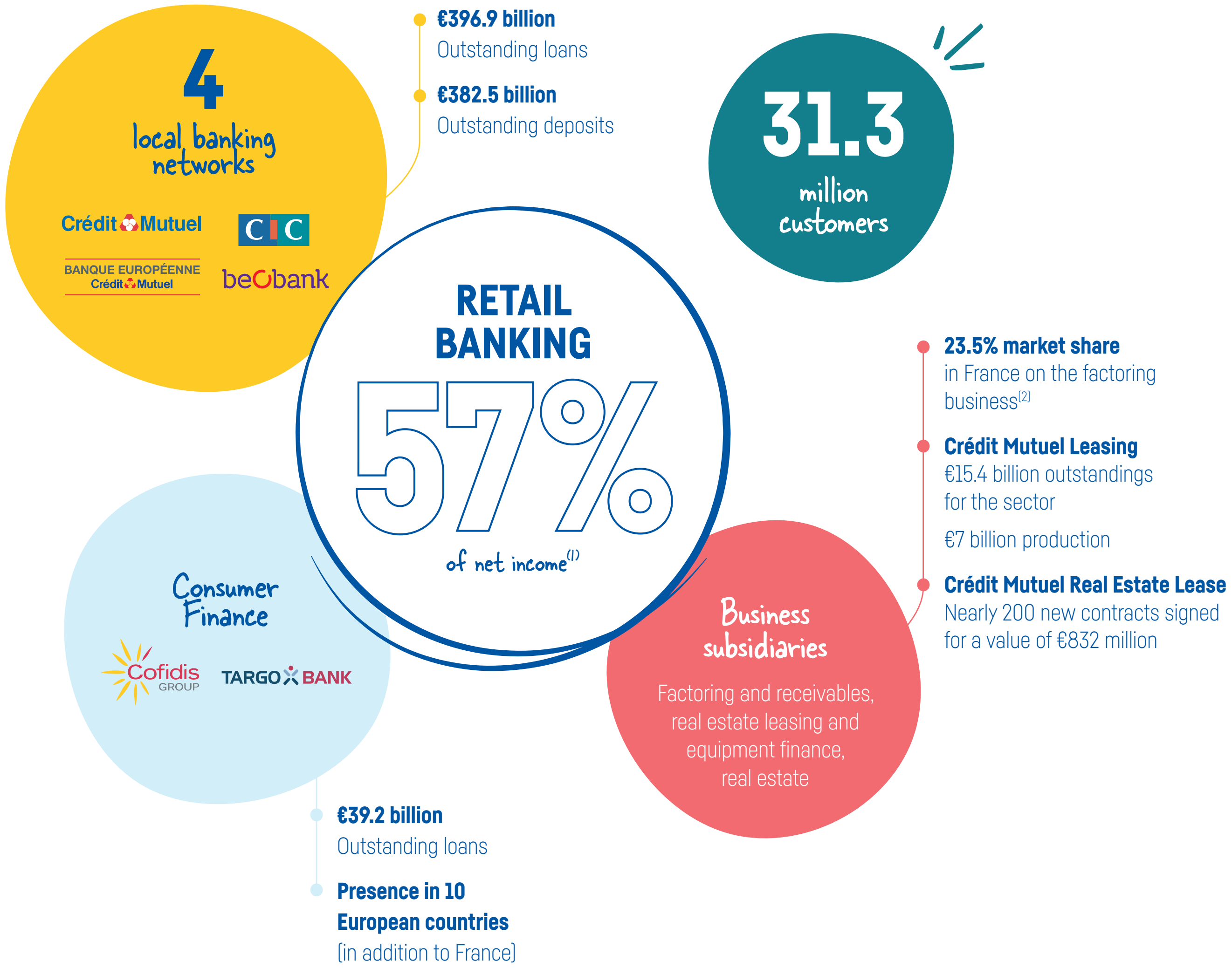
(1) Excluding the Holding segment.

Through the 14 Crédit Mutuel federations that control it, Crédit Mutuel Alliance Fédérale is a member of Confédération Nationale du Crédit Mutuel, the central body whose mission is to represent the Group before public authorities, to promote and defend its interests and to exercise control over the federations.

Competitive positioning[1] is analyzed in terms of Crédit Mutuel Alliance Fédérale, whose retail banking and insurance business lines make it a major player in retail banking and insurance in France. Crédit Mutuel Alliance Fédérale's market shares[2] in deposits and bank loans stood at 13.1% and 14.6% respectively. Overall, the Crédit Mutuel group finances 18.2% of domestic bank loans and collects 16.2% of total deposits in France.

(1) The sources of the rankings are explicitly mentioned; otherwise, the information is from an internal source.
(2) At September 30, 2023, source: regional financing centralizations of the Banque de France.

1.3.1 Retail banking and consumer finance in France and Europe



(1) Share of Crédit Mutuel Alliance Fédérale net income excluding the Holding segment.
(2) Source: internal calculations based on the ASF database.

Retail banking is the core business line of Crédit Mutuel Alliance Fédérale and accounted for 65% of its net revenue in 2023. It includes the Crédit Mutuel local banks, the CIC banking and insurance network, Beobank, Banque Européenne du Crédit Mutuel, TARGOBANK in Germany, the Cofidis Group and all specialized activities, whose products are marketed by networks dedicated to insurance brokerage, equipment leasing, leasing with a purchase option, real estate leasing, factoring, and real estate sales and management.

In 2023, the retail banking networks confirmed their effectiveness with increased commercial activity. This year was characterized by a change in the structure of deposits with significant transfers from current accounts to interest-bearing accounts. Inflows of €426 billion were recorded in 2023 (+6.7%). Outstanding loans to customers stood at €478 billion in 2023, up by almost +4% year-on-year.

1.3.1.1 Banking networks

1.3.1.1.1 Crédit Mutuel, Beobank and BECM banking and insurance network

Crédit Mutuel banking and insurance network

The network, made up of 1,462 local banks, supports 8.8 million individual, professional, farming and non-profit customers in the realization of their projects. The retail bank covers all these customers' needs for current accounts, means of payment, savings, financing and insurance. In order to establish a local relationship, 2,140 branches are available to customers, complemented by a dedicated omnichannel system. Access to the services offered can be made at any time by telephone, *via* the mobile app or from the website.

Outstanding deposits attained €183.5 billion in 2023, an increase of 4.9%. As a result of the change in the structure of deposits, inflows were particularly high on Livret Bleu and Livret A passbook accounts, whose outstandings increased by +12.1% year-on-year, due to the revaluation of their interest rate.

Outstanding loans increased by 3.2% to €185.6 billion. This increase was driven by outstanding home loans (+3.6%), coupled with a stabilization in outstanding consumer and equipment loans.

Revenue diversification continued during the year, as illustrated by the increase in inventories of complementary services sold. As a result, the number of property & casualty insurance and personal insurance contracts (excluding borrower insurance) increased by +3.1%. The number of remote surveillance subscriptions (Homiris) rose by +6.6%, while mobile telephone service contracts increased to a lesser extent (+1.6%).

Retail market

Crédit Mutuel's core business, the retail market meets the demand of non-professional natural persons. Crédit Mutuel offers its 7.5 million individual customers a diversified range of products and services adapted to each stage of their lives, such as financing for their driver's license, the financing of the purchase of their first apartment or taking out life insurance. It also meets daily needs with a range of practical services including mobile telephony, Internet subscription and remote monitoring.

To meet customers' demand for immediacy, Crédit Mutuel offers 24-hour access to accounts and contracts from a computer or smartphone thanks to its online banking service. Over the course of the year, this offer attracted more than 1.5 billion visits, with an increase in visits from mobile devices (1.3 billion visits, up 15%).

The 2023 fiscal year is marked by the availability to customers of the CM Pay application allowing money to be sent and received in a few seconds and without charge via a mobile number or fully secure contactless payment even above €50 for Android users.

Crédit Mutuel has also implemented initial measures to make its unique concept of societal dividend tangible. Thus, in order to support the development of soft mobility and contribute to the decarbonization of transport modes, Crédit Mutuel launched a zero-rate bicycle loan for its customers and prospects in June 2023.

Professional market

More than 700,000 craftsmen, shopkeepers and self-employed professionals make up the customer base of this market. Crédit Mutuel offers them a complete range of solutions to meet their financing, account management, savings and insurance needs. It also supports their senior management or employees with appropriate protection, health coverage and retirement. The protection of business premises can be ensured thanks to Homiris Pro, a remote monitoring solution that includes the on-site intervention of a security officer in the event of a breach.

During the year, the group won new professional customers with a portfolio that increased by 4.8%. Crédit Mutuel meets both cash requirements and financing requests. In 2023, almost €2.350 billion in investment loans were granted to professional customers. In addition, the development of products and services to facilitate customers in their daily lives (virtual appointments, digitization of loans, etc.) continued. Thus, Crédit Mutuel has launched a new offer dedicated to self-employed entrepreneurs which brings together a set of banking products and services useful for managing a professional activity (bank account, payment card with real-time option, professional equipment rental guarantee, etc.) as well as personal protection insurance.

In 2023, Crédit Mutuel continued its communication actions and supported its partners in the organization of trade fairs. What's more, many franchisees and business creators saw their projects come to fruition thanks to dedicated support.

Agriculture market

Thanks to offers specifically adapted to farmers' businesses and risks, the Crédit Mutuel supports farmers from installation to transmission, with specific financing, account management and insurance offers. As a long-standing partner of the agricultural sector, Crédit Mutuel has specialized account managers to advise over 108,000 customers.

In 2023, Crédit Mutuel continued to roll out its agriculture sector policy to its networks and farmer customers, providing an objective analysis of farmers' environmental, social and governance action plans, based on the principles of conditionality for Common Agricultural Policy (CAP) subsidies. This approach promotes the agro-ecological transition and allows a constructive dialogue with farmers to better support them in their projects. This policy is supported by measures to encourage operators to invest to reduce greenhouse gas emissions, improve the potential for carbon storage in the soil and preserve biodiversity. In support of these methods, the Transition Loan range offers a dedicated service to the farmers' sector to encourage innovative projects by farmers and the investments necessary for the transformation of agriculture towards agro-ecology. In 2023, the use of support systems - financial aid and Transition Loans - to encourage the necessary agri-environmental transition increased.

The range of services for our farmer customers was rounded out by three Service Kiosk partnerships signed in February at the Salon de l'Agriculture:

- EDF ENR: installation of photovoltaic panels on the roofs of buildings;
- AGRI/VITI Job: agricultural employment specialist;
- Mon Hangar: a platform that brings together farmers with available storage space and private individuals/professionals in need.

Lastly, 2023 saw the roll-out of the crop insurance reform. Crédit Mutuel, through its subsidiary les Assurances du Crédit Mutuel, in co-insurance with Allianz France, is fully committed to this momentum by deploying a new crop insurance offer for farmer customers. 430 agricultural account managers were trained to offer customers the most appropriate protection for their situation.

Non-Profit Market

The specific needs of associations, foundations, social and economic committees and non-profit organizations are also covered. Crédit Mutuel offers account management, savings, financing, insurance and employee savings solutions. The collection of donations or contributions is also facilitated thanks to the dedicated solutions offered.

Driven by targeted sales momentum, activity in the non-profit market intensified in 2023 with over 338,000 customers, up 3.1%. They represent 3.9% of retail banking customers.

As part of its status as a benefit corporation, Crédit Mutuel has introduced a societal dividend. Since September 2023, local cultural, sports and leisure associations have been 100% exempt from all general operating expenses associated with managing their accounts. Eligible associations are thus exempt from charges for the services they need on a day-to-day basis to carry out their missions: account management, bank cards, online banking, payment card insurance and, above all, a dedicated advisor at a local bank branch.

Beobank

Beobank, a subsidiary of Crédit Mutuel Alliance Fédérale, offers banking and insurance products in Belgium. With 61 branches, seven PRO Centers and 132 delegated agents, it supports nearly 765,000 individual, professional and small business customers in the realization of their projects. It offers a wide range of banking and non-banking products and services, from asset building to credit granting and remote surveillance. It responds to the personal and professional needs of its customers with offers that are based on the values of responsibility and respect.

Against the backdrop of a profoundly altered interest rate environment in 2023, with key rates rising to curb inflation, Beobank continued to grow its business lines. Outstanding loans thus stood at €8.7 billion at the end of 2023, up 9.3%, including consumer credit (+2.7%), mortgage loans (+12.2%) and loans to professionals (+10.2%). The property & casualty insurance portfolio grew by +23%. At the same time, outstanding deposits amounted to €7.5 billion (+7.3%) at the balance sheet date.

In 2023, Beobank pursued its "Vision Canaux 2025" (Vision Channels 2025) project, which aims to provide personalized and omnichannel experiences to its customers and prospects. To accelerate its growth, it is relying on a renewed development plan, a multi-disciplinary team of specialists and the introduction of pilot branches in early 2024.

Beobank continued to focus on its four priority areas of digital transformation, enriching the Beobank Mobile application with new functionalities, developing online banking for professionals, integrating innovative cognitive tools and implementing flows to enable 100% online customer acquisition. This application now ranks 4th in the annual Sia Partners ranking for Belgium.

With a view to providing its customers with even more services, Beobank extended its range of products and services to include ESG products (Eco car loan, bike and e-motorcycle loan, IEZIE), new regulated savings accounts, a new range of term deposits and Money Market products, a range of structured products, a card with a notch for the visually impaired, and more. The tool for creating a customer's ESG profile enables advisors to guide customers towards an investment tailored to their risk appetite and sustainability preferences.

Beobank's human resources policy is effective and was awarded Top Employer certification for the 5th time. Beobank pays particular attention to training employees to enhance their skills, and implements an efficient recruitment policy to attract talent. In addition, Beobank launched a "Place au vrai vous" (Make way for the real you) campaign, giving employees a voice to share their experiences, extended the Flex Income Plan (tailor-made mobility) and signed a new health contract.

Implementing an ESG policy is also a priority for Beobank, which has defined its sustainability policy based on three major axes linked to the UN's Sustainable Development Goals: taking care of its employees, taking care of its customers and taking care of its ecosystem. To strengthen its corporate philanthropy initiatives, Beobank created the With You Fund Foundation in collaboration with Banque Transatlantique Belgium.

Beobank continued to invest in maintaining its brand awareness at 85% [1], placing it among the strongest banking brands. It also made progress on the consumer brand [2]. The results of these two studies, combined with the nomination as 2nd best Belgian bank in 2023 by Testachats, 2nd place for best branch network by Guide Épargne and an NPS score of 41% [3] (customer satisfaction and willingness to recommend Beobank), are the fruit of the repositioning work begun a few years ago, accompanied by ongoing investment.

Banque Européenne du Crédit Mutuel (BECM)

BECM is the subsidiary of Crédit Mutuel Alliance Fédérale serving the regional economies, the business market and real estate professionals. A bank on a human scale whose values are based on proximity and responsiveness, it brings technical expertise and high added value to all businesses. It operates as a partner for developers and real estate companies on the real estate market.

To support its 20,561 customers, BECM relies on its 326 employees and the services of Crédit Mutuel Alliance Fédérale's business centers. Consisting of 45 branches, it is organized on a market basis, with 31 branches serving the general business market and 14 serving the real estate market.

Measured in terms of monthly average capital, customer loans increased by 3.5% to €18.7 billion at the end of 2023. Accounting resources increased by 25.8% to €12.8 billion, following a major mobilization of teams to rebalance the bank's customer activities.

In 2023, BECM adapted its organization by pooling resources in flow management to facilitate employee support by increasing versatility in customer service. It also rolled out a new Immo'Responsable financing offer for property developers, aimed at rehabilitating older homes.

(1) IPSOS study June 2023.
(2) Havas Worldwide 2023 study.
(3) IPSOS study June 2023.

1.3.1.1.2 CIC banking and insurance network

Retail Banking, the core business line of CIC, accounted for 53% of its net revenue at the end of 2023. CIC is organized into six regional banks, including CIC Île-de-France, which is also the holding company and the network's leading bank. It also relies on business line subsidiaries whose products and services are marketed by the network. CIC meets needs in insurance, real estate and equipment leasing, factoring, asset management, employee savings, and real estate sales and management. Thanks to the know-how of its employees, retail banking meets the needs and expectations of 5.62 million customers.

Committed to establishing a close relationship with its customers, CIC offers them an efficient, effective and modern omnichannel organization. Each customer has an advisor in 1,714 branches in France. Many procedures are also accessible at any time *via* the websites and mobile apps.

The CIC business model aims for excellence in customer service, an ambition that is regularly rewarded. In 2023, CIC won all six Trophées de la Banque awards [1]. It ranks first in the Mobile Application category.

In 2023, the network continued to provide support for customers and their project financing activities. Outstanding loans reached €180.5 billion, up +3.2% year-on-year. Outstanding deposits amounted to €176.2 billion at the end of 2023, up by +4.8%. Inflows were particularly high in passbook accounts and term deposits, which benefited from the context of rising rates and customers' search for liquid and secure products. In the diversification sectors, sales of products and services to customers continued their commercial momentum. The number of contracts signed rose by +5.9% for online banking, by 5.1% for the Homiris remote surveillance offer, with mobile telephone services stable.

In 2023, CIC expanded its offerings to the various customer segments, including:

- new partnerships as part of the *Kiosque à Services* (Service Kiosk), a service platform that puts customers in touch with partners to make their day-to-day lives easier;
- a new Multi-Risk Corporate offer for corporates;
- an impact profit-sharing contract for its employee savings offers.

Throughout the year, CIC has worked to support its sports partners, including the Fédération française de cyclisme (French Cycling Federation), and the Fédération française de natation (French Swimming Federation). This same support approach has resulted in support for music and culture, including the Easter Festival in Aix-en-Provence and the Musée de l'Armée at Les Invalides, partnerships which celebrated their 10th and 20th anniversaries respectively in 2023. Finally, CIC continued to support young entrepreneurs (Moovjee, WorldSkills, Union des auto-entrepreneurs).

1.3.1.2 Consumer finance

1.3.1.2.1 Cofidis Group

Through its three commercial brands, Cofidis, Monabanq, Creatis and its GEIE SynerGIE, Cofidis Group creates, sells and manages a wide range of financial services for private individuals and partner retailers. Operating in nine countries - France, Belgium, Spain, Italy, Portugal, Czech Republic, Hungary, Slovakia and Poland - Cofidis Group has been one of Europe's leading consumer credit providers for over 40 years. It offers personal and consumer credit, payment solutions, banking services, insurance, debt purchase and partnerships. Cofidis Group employs more than 5,700 people to serve its customers.

In 2023, Cofidis Group had a very good year, with production close to €10 billion, slightly down on last year. Outstanding loans rose by +8% compared with the end of 2022 to €19,690 million.

Monabanq's online banking business continued to grow at a steady pace, with over 80,000 new current and savings accounts opened, representing a +16% increase over 2022. Deposits rose by +19% to exceed the €1 billion mark this year.

2023 confirmed the success of Cofidis Group's strategy, driven by the ambitions of the Expérience First project and its drive to become a benefit corporation, in the footsteps of Crédit Mutuel Alliance Fédérale. With priorities focused on customer experience, data protection, inclusion and environmental impact, Cofidis Group aims for perfect harmony between excellence in customer relations and employee experience, thanks in particular to collaboration and synergies between the Group's 12 entities.

Cofidis Group subsidiaries have received numerous awards in recognition of this strategy. Cofidis Espagne and Monabanq retained their Customer Service of the Year labels in 2023 for the 10th and 7th time respectively. Cofidis Portugal also received an award for its customer relations. For the third time, Cofidis France was awarded the "Happy team, happy customers" label by the Académie du Service, in recognition of its strategy based on harmonious relations for BtoC customers, after having been awarded the same label for BtoB customers in 2022.

Committed to an employer promise for a human and exciting adventure, Cofidis Group experienced a historic moment in 2023 with the Great Places To Work 2023-2024 certification of its 12 subsidiaries. In France, the four French entities were once again awarded Happy Trainees certification, in recognition of the work-study experience they offer. Firmly committed to inclusion, the HR strategy was awarded the Impact HRD trophy at the Victoires des Leaders du Capital Humain in 2023.

Finally, to honor its commitment to society and the environment, several initiatives were launched in 2023: the Missions Boosters were made permanent and rolled out to the three other entities in France. Initiated by Cofidis France, the Missions Boosters give employees the chance to get involved with non-profit organizations in the *Hauts de France* region over three days of free time. With the Future Makers program, Cofidis Espagne employees put their experience to good use to facilitate access to work for people, especially young people who are not in the job market. Last but not least, Cofidis France made all its employees aware of the Climate Fresk in 2023, a project that will also be rolled out in 2024 for Monabanq, Creatis and Synergie.

1.3.1.2.2 TARGOBANK in Germany

Established in over 250 German cities, TARGOBANK meets the needs of 3.8 million retail customers and businesses offering banking solutions including consumer finance, insurance, factoring and leasing. In addition, the bank offers comprehensive cover of the needs of companies in the upper *Mittelstand* segment.

(1) *Study "Les Trophées de la Banque 2024 – Qualité" by MoneyVox.fr.*

TARGOBANK combines the advantages of an online bank with those of a network bank. This complementarity makes it possible to offer an efficient, personalized service, both remotely and through advisors present in 344 branches throughout Germany.

At the end of 2023, the production of repayable personal loans totaled €5.8 billion, down slightly on fiscal year 2022. In the retail segment, outstanding loans rose by 9.7% to €21.6 billion, while customer deposit volumes reached €29.2 billion.

Business loan production also increased in the financing and leasing sectors. Factoring volumes, on the other hand, declined.

Total customer outstandings rose by +6.8% to €30.0 billion.

In October, TARGOBANK launched a new marketing campaign, accompanied by new advertising spots which, by addressing different target groups, represent a further step in the direction of universal banking. TARGOBANK has also taken an important step in terms of sponsorship. Since the 2023/2024 season, the bank has been one of the main partners of Fortuna Düsseldorf soccer club, as part of a unique "Fortuna für alle" ("Fortuna for all") project, aimed at making access to the stadium free of charge. The first free "Fortuna für alle" match took place on October 21, 2023, to great acclaim. All spectators benefited from free admission.

Conscious of its social and societal responsibility, TARGOBANK and its employees have, once again this year, supported numerous projects, both financially and in the form of volunteer days. In December, the bank also significantly increased the capital of its own foundation from €1.5 million to €10 million. This will make it possible to support even more projects and associations in the future and raise the profile of the TARGOBANK Foundation. The bank has also encouraged environmentally-friendly mobility by offering its customers a one-off 0% financing offer for bicycles, electric bikes and electric scooters, in partnership with over 340 dealers throughout Germany. To support its employees in this less polluting approach to mobility, the company has offered to purchase a private electric recharging point, at a considerable subsidy, and is helping to promote the use of the train by paying part of the monthly *Deutschlandticket*, offered at a reduced price of 29 euros per month instead of 49 euros per month.

In September, TARGOBANK won a Best Recruiters award for its recruitment system. Among the 252 German employers represented, the bank ranked 11th and is the number one in the banking sector.

Last but not least, against a backdrop of high inflation, the bank decided in November to support its 7,000 employees with a bonus that also goes to apprentices and students on work-study schemes.

1.3.1.3 Business line subsidiaries

1.3.1.3.1 Factoring and receivables

Crédit Mutuel Alliance Fédérale's factoring sector, dedicated to companies and professionals, consists of two entities in France: Crédit Mutuel Factoring and Factofrance. These two complementary distribution models represented 23.5% of the factoring market share [1] in France at September 30, 2023. Crédit Mutuel Factoring, the Group's long-standing business center, markets its solutions through the Crédit Mutuel and CIC networks. Factofrance distributes its products directly through dedicated sales representatives and providers such as credit insurance brokers, accountants, etc. In Germany, factoring activities are carried out by TARGOBANK under the TARGO Factoring and TARGO Equipment Finance brands.

In 2023, more than 14,300 customers, *i.e.* an increase of 15% across the factoring sector - in France and abroad, benefited from short-term financing. With over 910 employees, Crédit Mutuel Factoring and Factofrance offer factoring and notified business receivables management solutions known as Dailly. These offers are accompanied by additional services in the area of trade receivables (dunning, collection, payment collection and lettering) and guarantees against the risk of insolvency. Factofrance also has an inventory financing product backed by the factoring contract.

The volume of receivables purchased by Crédit Mutuel Factoring and Factofrance reached a record level of €103.4 billion in 2023, up +5.0%. International business accounted for approximately 32.3% of overall revenue. At the balance sheet date, factoring outstandings amounted to €14.2 billion, up +5.4%.

Over the past year, Crédit Mutuel Factoring has demonstrated its capacity for innovation with the development of a new offer called Avance Fournisseurs. This offer, which is being piloted until mid-2025, is designed to provide CIC and Crédit Mutuel customers with complementary, easy-to-implement short-term financing. In addition, Factoflash, a simplified product launched in September 2023, is off to a promising start. These offers are aimed primarily at the very small business market, and are perfectly in line with the objective of simplifying offers. The implementation of a new international syndication solution in 2023 should further drive the conquest of the large corporates and international segments.

Factofrance strengthened its positioning in three specific market segments: French exporters, turnaround companies and DSC (Digital Service Companies), by labeling its offers Export, Cap rebond and Cap numérique respectively.

Finally, the deployment of the Docusign electronic signature on numerous use cases was crowned with success, saving time and simplifying processes for customers.

(1) Source: internal calculations based on the ASF database.

1.3.1.3.2 Leasing

Equipment Leasing

Crédit Mutuel Alliance Fédérale's leasing sector is a major player in equipment leasing finance, with a market share of over 15.2% [1] in France, including 18.9% for leasing and financial rental products. For over 60 years, the company has specialized in the financing of capital goods through leasing and rental. It offers rental solutions tailored to the investment projects of individuals, associations, professionals and companies. It is present in six European countries (France, Germany, Spain, Benelux).

The sector distributes its products through two main distribution channels. Within the banking networks, sales are handled by Crédit Mutuel Leasing. Lease financing offers are distributed under the Crédit Mutuel Leasing brand within the Crédit Mutuel network and under the CIC Leasing brand within the CIC network. The organization is largely decentralized to guarantee proximity to networks and end customers. Internationally, the entity finances investments by French companies with local subsidiaries or parent companies. It also meets the needs of foreign companies that have entities or their parent company in France.

The leasing sector also has a dedicated sales force and distributes its offers through its own network of agencies and partners. The latter, mainly distributors or equipment manufacturers, are looking for lease financing solutions to develop their sales. The sector generally operates in the office automation, transport, construction and health markets. Historically handled by the CCLS and Bail Actea entities, direct marketing will be carried out exclusively by the CCLS brand as of January 2024, following the unification of the two structures' sales networks.

In 2023, production across the entire scope rose by +6%, exceeding €7 billion. As a result, the sector's outstandings were up and stood at €15.4 billion. With more than €909 million, international production represented 13% of the sector's total production.

During the year, Crédit Mutuel Leasing was recognized by Asset Finance Connect, Europe's leading professional leasing community, which publishes a report rewarding European equipment and vehicle leasing companies. The sector was awarded the prize for the fastest-growing leasing company in euros, and is now ranked among the top five companies in terms of outstandings.

In 2023, the subsidiary continued to roll out the priorities of the Crédit Mutuel Alliance Fédérale's strategic plan. Crédit Mutuel Leasing launched an impact leasing offer that enhances the value of customers' CSR policies. A bonus/malus on rents is applied according to the achievement of non-financial criteria based on social, societal or environmental objectives. This bonus can be donated to a charity, guaranteeing a positive impact.

In addition, to anticipate the growing demand for vehicle leasing financing, required in particular by the arrival of electric vehicles, the sector took a majority stake in Roulenloc. Founded in 2016, Roulenloc is a digital pureplayer offering lease and subscription deals on new and used vehicles for both private individuals and professionals. With this acquisition, Crédit Mutuel Leasing intends to pursue its development in the mobility market, one of its strategic priorities. This offer complements the long-term leasing (LLD) and rental with purchase option (LOA) offers distributed through all Crédit Mutuel Alliance Fédérale network branches, as part of a multi-channel approach. In addition, the company is developing its soft mobility offering by launching a pilot project with the start-up Zenride, a vélotaf (bike to work) pioneer since 2018, to support companies in providing company bike fleets for their employees.

As part of its commitment to society, the sector continues to support the Restos du Cœur in renewing their fleet of utility vehicles, its partnership with the Fratries association (coliving, enabling young people with and without disabilities to live together under the same roof), and with the Burn & Smile association, which supports burn victims.

Finally, the surveys carried out provide a means of monitoring the quality of the partner relationship. The NPS score obtained in 2023 by the sector on its direct distribution channel has improved sharply (from 11 to 29) and demonstrates a solid level of satisfaction, with 90% of partners satisfied.

Real estate leasing

Crédit Mutuel Real Estate Lease is a major player in the French real estate leasing market. It meets the real estate investment needs of Crédit Mutuel Alliance Fédérale customers. It covers companies, professionals, social economy players and institutions. Crédit Mutuel Real Estate Lease offers adapted financing for the acquisition or construction of commercial buildings. Projects may involve commercial, logistics or industrial premises, as well as healthcare facilities, offices or hotels. The entity relies on the technical, legal, tax, financial and regulatory expertise of its regional specialists. Its financing is distributed under the Crédit Mutuel Real Estate Lease brand in Crédit Mutuel branches and under the CIC *Real Estate Lease* brand in CIC branches.

In 2023, Crédit Mutuel Real Estate Lease continued to expand, signing almost 200 new contracts for a total value of over €832 million. Total outstandings grew by nearly 2% to €6.4 billion. With this level of production, Crédit Mutuel Real Estate Lease is positioned as one of the leading real estate lessors in France.

The development and implementation of digital tools to characterize projects in the banking networks make it possible to respond quickly to expectations. Numerous financing studies are carried out instantaneously, enabling our teams to work as closely as possible with our customers. In 2023, Crédit Mutuel Real Estate Lease stepped up its investments in the digitalization of these activities. From the first half of 2024, customers will be able to benefit from a dedicated space for real estate leasing in their online banking service.

Finally, Crédit Mutuel Real Estate Lease continues to integrate the environmental performance of the projects in its analysis of the financing considered and thus favors renovation works and buildings with high energy performances, labeled or with electrical production processes.

(1) Source: ASF at the end of Q3 2023.

1.3.1.3.3 Others

Crédit Mutuel Immobilier

Crédit Mutuel Immobilier and its eight subsidiaries [1] make up Crédit Mutuel Alliance Fédérale's real estate network. It covers all production and service real estate activities in France with the exception of real estate financing and had 352 employees at the balance sheet date.

The subsidiary's exposure to risks is marginal and the activity is mainly dedicated to housing (housing, construction sites), with commercial real estate or offices very marginal.

Crédit Mutuel Immobilier:

- acquires land to develop concerted development zones, produces building land and offers land charges to real estate developers;
- develops and markets real estate programs of main residences and buy-to-let investments;
- carries out real estate programs as a joint developer with the developer customers of Crédit Mutuel Alliance Fédérale's banking networks;
- participates in financing rounds in real estate development projects with the group's customer developers;
- sells new real estate assets to Crédit Mutuel Alliance Fédérale customers through AFEDIM, the network's real estate agency. AFEDIM relies on AFEDIM Gestion for its leasing and property management activities. 45% of investors/lessors *via* AFEDIM signed a management agreement with AFEDIM Gestion;
- markets existing homes *via* AFEDIM Transactions, which continues to expand its offering in new territories (Ile de France/Moselle/Lyon/ Nantes regions), in 2023.
- organizes calls for tenders from customer developers for Crédit Mutuel Alliance Fédérale customers, in order to optimize their real estate assets.

The Crédit Mutuel Aménagement Foncier subsidiary continues to market its building plots *via* AFEDIM, an agency which accounted for 25% of sales volume in 2023.

Crédit Mutuel Aménagement Foncier won this year's Urban Renewal and Rehabilitation Trophy at the Union Nationale des Aménageurs (UNAM) sustainable development awards, for its project to rehabilitate the Caserne Miribel site in Verdun (55).

During the month of October, Crédit Mutuel Aménagement Foncier joined forces with *La Ligue Contre le Cancer* (League Against Cancer) to support the national Pink October campaign to raise awareness of breast cancer screening. Its commitment was to make a donation to *La Ligue Contre le Cancer* for every deed of sale signed during the month.

Ataraxia, the real estate development subsidiary, won the *Pyramides d'Argen*t competition, with the Responsible Operations Prize awarded by the *Fédération des Promoteurs Immobiliers des Pays de la Loire* for its "*Les Jardins de Médicis"* program in Vertou, Loire-Atlantique (44), and the Responsible Operations Prize awarded by the FPI Centre-Val de Loire for its "*Villa des Lys*" program in Fondettes (37), near Tours. These awards are a concrete illustration of the environmental and societal commitments of this activity.

Crédit Mutuel Home Loan SFH

Crédit Mutuel Home Loan SFH, a subsidiary of Banque Fédérative du Crédit Mutuel, is responsible for raising funds from international investors. It borrows on the financial markets by issuing residential-mortgage backed securities rated AAA by the rating agencies when they are guaranteed by the network's home loans.

2023 was marked by the continuation of restrictive monetary policies by central banks. They raised interest rates to counter inflationary pressures arising from the post-Covid recovery and the Ukrainian conflict. The high point was reached on September 14, the date of the latest ECB rate hike: over the year 2023, the low ECB rate rose from 2% to 4%.

As in 2022, the covered bond market was very active with high volumes. Indeed, European banks decided to replace their TLTRO maturities mainly with covered issues, whose relative spread remains attractive.

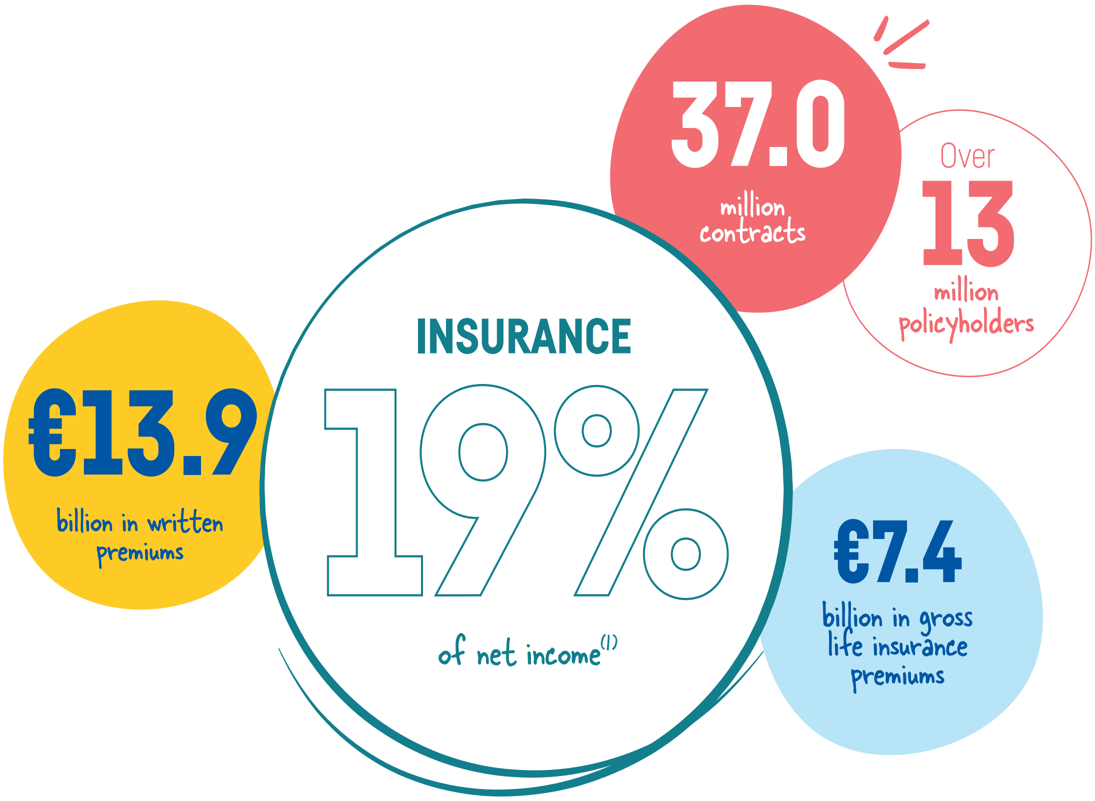
After massive recourse to covered bonds at the beginning of the year, demand slowed in the second half, particularly on longer maturities.

The SFH 2023 program (€5 billion) was partially realized with the following three issues (€3.5 billion):

- in February: €1,750 million at +4 years (coupon rate of 3.125%);
- in February: €750 million at ten years (coupon rate of 3.125%);
- in April: €1,000 million at six years (coupon rate of 3.25%).

(1) *List of eight subsidiaries: development/subdivisions: Crédit Mutuel Aménagement Foncier; distribution of real estate property and services: AFEDIM and AFEDIM Gestion; real estate development: ATARAXIA Promotion; real estate co-development: Crédit Mutuel Réalisations Immobilières; financing rounds: Crédit Mutuel Participations Immobilières; real estate valuation: Valorisation Immobilière; distribution of existing properties: AFEDIM Transactions.*

1.3.2 Insurance



(1) Share of Crédit Mutuel Alliance Fédérale net income excluding the Holding segment.

Insurance, which has been operated for more than 50 years by Groupe des Assurances du Crédit Mutuel (GACM), is fully integrated into Crédit Mutuel Alliance Fédérale in sales and technology terms. It distributes its products and services in France and Europe, mainly through the Crédit Mutuel, CIC and Cofidis networks. In Belgium, GACM relies on the Beobank network and its own network of branches.

At end 2023, GACM covered more than 13 million individual, professional and corporate policyholders, thanks to a comprehensive range of insurance products and high-performance, supportive and differentiating services.

In life insurance, for example, as part of its policy of social and mutualist responsibility, GACM has been offering the Pack UC Environnement 50 for several years now, giving policyholders the option of investing their savings in a unit-linked scheme financing sustainable development. In 2023, GACM launched Sustainable Managed Services (*Gestion Pilotée Durable*), a financial offering committed to sustainable and socially responsible development through thematic funds, most of which are accredited.

In the professional, corporate and agricultural market segments, GACM has completely renewed its offer over the past three years, and has set up partnerships to meet the specific needs of these markets. In addition to commercial multi-risk insurance, the group now offers products dedicated to farmers, including crop insurance.

In health insurance, all contracts benefit from access to the Avance Santé card for the payment of healthcare costs without immediate debit.

Finally, in borrower insurance, GACM pioneered the market in 2021 by eliminating medical formalities for loyal customers as part of the financing of their main residence [1] Crédit Mutuel Alliance Fédérale thus allows loyal customers to no longer be subject to additional premiums or exclusions related to their state of health.

In 2023, GACM's written premiums, generated mainly in France, totaled €13.9 billion, up +5.2% on 2022. On a like-for-like basis, excluding GACM España sold on July 12, 2023 [2], written premiums rose by 6.6%, while the portfolio grew by +3.2% to 37 million contracts.

(1) Offer subject to cumulative conditions, reserved for the purchase of the main residence, to customers who have domiciled their main income for at least seven years with Crédit Mutuel or CIC, aged less than 62 years, within the limit of an insured capital of €500,000 per borrower, for any first underwriting to ACM of a borrower insurance contract for their main residence, or for any customer. As a reminder, as of 2017, there is no longer any medical screening as of the second underwriting under the medical acceptance retention.

(2) On July 12, 2023, GACM sold all of GACM España's capital to Axa Seguros Generales, S.A. de Seguros y Reaseguros. The revenue generated by GACM España in the first half of the year, amounting to €193 million, remains with GACM.

In France, gross life insurance premium income amounted to €7.4 billion, up +6.2% on 2022, driven by strong growth in payments into euro funds (+20.4%). The proportion of new premiums invested in unit-linked products fell, but remained high (29% *vs*. 37% in 2022). Against a backdrop of rising rates of return on regulated savings, net premiums were positive at €1.6 billion (stable compared with 2022) on both euro funds (+€0.8 billion) and unit-linked products (+€0.8 billion). Thanks to its financial solidity and substantial reserves, GACM increased the average rate paid on the euro funds of its life insurance and individual retirement contracts by 0.50 points to 2.80% in 2023, including the compensation bonus. The ratio of the provision for profit-sharing (PPE) to mathematical reserves of the euro funds stands at 6.9% (*versus* 7.8% in 2022), following a recovery to improve returns for our policyholders.

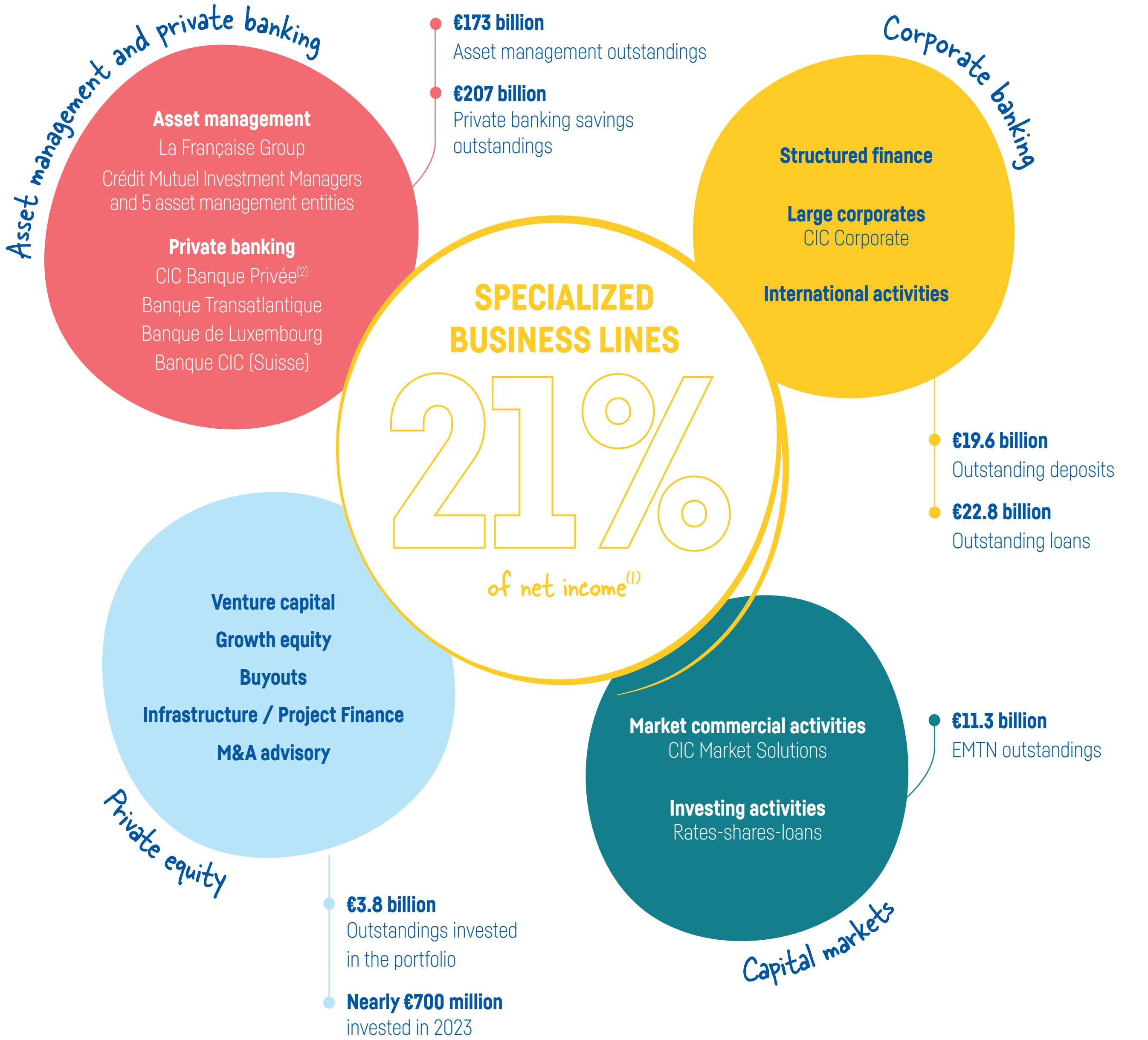
P&C and protection insurance written premiums amounted to €6.4 billion. In France, personal insurance increased by 5.1% (including +5.7% in health, +5.1% in protection and +4.8% in borrower insurance [1]), and property & casualty insurance by 5.6% (of which +4.9% in motor and +6.3% in home insurance), increases driven by sustained growth in contract portfolios.

Written premiums, generated by GACM subsidiaries in Belgium amounted to €201 million, up 4.6% on 2022. GACM España's first-half written premiums of €193 million remain with GACM.

With the aim of strengthening Crédit Mutuel Alliance Fédérale's presence in Germany, the group's largest international market, ACM Deutschland AG, with its registered office in Düsseldorf, was incorporated in the first half of 2023. It is the holding company for the future life and non-life insurance companies, ACM Deutschland Life AG and ACM Deutschland Non Life AG, which were incorporated in July 2023. Its capital is 85% owned by GACM SA and 15% by TARGOBANK in Germany, which will distribute the insurance contracts of both subsidiaries. Applications are currently being made to the German prudential authority (BaFin), with the aim of obtaining authorizations in 2025.

(1) Proforma for the transfer of the Cofidis Espagne portfolios to ACM VIE SA and ACM IARD SA by GACM España as part of the sale.

1.3.3 Specialized business lines



(1) Share of Crédit Mutuel Alliance Fédérale net income excluding the Holding segment and CIC Banque Privée.
(2) CIC Banque Privée is part of the CIC network and its five regional banks.

1.3.3.1 Asset management and private banking

Crédit Mutuel Alliance Fédérale's asset management and private banking business line encompasses:

- five asset management entities (Crédit Mutuel Asset Management, Crédit Mutuel Gestion, Crédit Mutuel Épargne Salariale, CIC Private Debt and Cigogne Management) and the Crédit Mutuel Investment Managers distribution platform;
- La Française Group, comprising five asset management companies and a distribution platform;
- Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).

1.3.3.1.1 Asset management

In September 2022, Crédit Mutuel Alliance Fédérale launched a study with a view to setting up an asset management division grouping together all third-party management structures within a multi-boutique model.

In the long term, the merger of all these entities should make it possible to build a major committed and responsible player in asset management in France and Europe, with a total of €145 billion in assets under management.

Several structuring steps took place in 2023:

- in May 2023, Crédit Mutuel Impact (formerly Crédit Mutuel Capital Privé) became a 99.9% owned subsidiary of the La Française Group;
- in the third quarter of 2023, CIC sold the entities CM Asset Management and its subsidiary CM Gestion, CIC Private Debt and Cigogne Management to BFCM. BFCM then transferred them to the La Française Group on January 1, 2024, which will thus become the holding company of this asset management division within Crédit Mutuel Alliance Fédérale. The merger of all the entities making up the new group will take effect on during 2024.

La Française Group

The La Française Group is an asset management company, a subsidiary owned 40% by Caisse Régionale du Crédit Mutuel Nord Europe and 60% by BFCM. The La Française Group deploys a multi-boutique model for institutional and wealth management customers in France and abroad. Its activity is organized around two pillars: real estate assets and financial assets. With 565 employees, the La Française Group managed €45 billion in assets at December 31, 2023. Thanks to varied expertise and adapted investment offers, its sales teams offer solutions that meet the challenges and needs of its customers. In addition to its presence in Paris, the La Française Group has offices in Frankfurt, Hamburg, London, Luxembourg, Madrid, Milan, Singapore and Seoul. Outside France, assets under management on behalf of third parties represented 27%. As a committed player, the La Française Group takes into account the impacts of its decisions and activities on society and the environment. CSR is one of the company's strategic priorities, creating long-term value by combining performance and sustainability through the design of appropriate investment solutions.

Since September 2022, teams from the La Française Group have been helping to build Crédit Mutuel Alliance Fédérale's asset management center of expertise, which will bring together all third-party management structures within a multi-specialist model.
A key player in the real estate asset class, La Française Real Estate Managers (REM) is present across the entire value chain of real estate management, with teams of experts dedicated to every stage of investment, management and enhancement of real estate assets. At the end of 2023, La Française REM had more than €30.6 billion in assets under management.

The financial assets division, notably *via* La Française Asset Management, provides specialized expertise in sustainable bond and equity management, as well as in diversified and quantitative management. In addition, the New Alpha Asset Management subsidiary offers expertise in private equity and innovative managers.

As a committed player, the La Française Group has a proprietary SRI research center that feeds all the management teams, enabling it to offer a range of products with high sustainability standards.

The La Française Group posted net inflows of €1.06 billion in 2023.

Despite a difficult context marked by a sharp decline in investment volumes in commercial real estate in Europe, La Française REM maintained its position as a key player in the European real estate market in 2023 by pursuing its real estate strategy structured around sustainability, service and location. The management company coped with the uncertainties of this adverse environment through cautious and resilient management of all its assets, accompanied by transparent communication with its partners.

In the financial assets segment, La Française AM continued to develop its flagship expertise, with maturity funds accounting for almost €1.3 billion in assets under management. New Alpha Asset Management, a subsidiary of the La Française Group, now has €3 billion in assets under management.

In 2023, the La Française Group continued its efforts in the field of sustainable investment: two investment funds in La Française AM's Carbon Impact range were awarded the Forum *Nachhaltige Geldanlagen* three-star label for the second year running, the recognized quality standard for sustainable investments on German-speaking financial markets. Lastly, the SCPI LF Avenir Santé, created at the end of 2021, confirmed its place in the Group's real estate savings offering thanks to an adapted sustainable investment strategy, earning it the "*Top d'Or Tout sur mes finances*" prize in the Espoirs-spécialisée category. Lastly, after joining the La Française Group, Crédit Mutuel Impact launched the Environmental and Solidarity Revolution Fund financed by the societal dividend of Crédit Mutuel Alliance Fédérale and intended to amplify the transformation of production models and intervene in key areas of the climate and environmental transition where financial needs are very great and other players are not yet sufficiently present.

Crédit Mutuel Investment Managers

Crédit Mutuel Investment Managers is Crédit Mutuel Alliance Fédérale's dedicated asset management business center. The teams market all the investment solutions offered by Crédit Mutuel Alliance Fédérale's management entities, which retain their management autonomy and independence.

Crédit Mutuel Investment Managers supports the Crédit Mutuel Alliance Fédérale networks, external distributors (private banks, fund selectors, CGP etc.), institutional investors and large companies. It offers them a wide range of products and solutions adapted to their needs. Crédit Mutuel Investment Managers, based in France and Luxembourg, operates in six countries in Europe.

At the end of 2023, the assets under management of the various management entities run by Crédit Mutuel Investment Managers (Crédit Mutuel Asset Management, BLI - Banque de Luxembourg Investments, Cigogne Management, CIC Private Debt, CIC for the issue of structured products led by CIC Market Solutions, Crédit Mutuel Gestion and Dubly Transatlantique Gestion) totaled €128 billion.

Activity over the year was conducted against a complex backdrop marked by a persistently tense geopolitical situation impacting economic and financial trajectories, with the corollaries of inflation set to continue falling, restrictive interest rates, contrasting economic growth prospects and the urgency of the energy and climate transition.

The year was marked by overall net inflows of €2.63 billion. With the rise in interest rates, bond funds regained their appeal with investors, recording positive net inflows of €650 million, driven in particular by maturity bond funds. Similarly, money market funds regained investor appetite, with positive net inflows of €1.05 billion. Equity funds, meanwhile, recorded an outflow of €497 million.

Finally, customer interest in structured EMTNs increased in 2023, both in France, but also in Germany, with the return of capital-protected products and the success of a dedicated product offering for external distributors, totaling €2.7 billion in inflows.

Crédit Mutuel Asset Management

Crédit Mutuel Asset Management is an asset management company of Crédit Mutuel Alliance Fédérale. It offers a wide range of funds and asset management solutions on behalf of third parties for retail customers, businesses and institutions. Present in all listed asset classes and management styles, its strategy is based primarily on balancing the search for performance, risk and sustainability.

A major player in asset management, with €75.9 billion of assets under management in France in 2023, Crédit Mutuel Asset Management offers its customers high-performance, innovative and sustainable investment solutions. It is particularly well known for its short-term money market and flexible treasury solutions, as well as for its long-term conviction solutions in direct bond and equity management in all geographic areas and all capitalization sizes. Its global and specialized expertise in fixed income management, equity management, diversified management and quantitative management is reflected in the management of more than 600 dedicated funds representing nearly €11 billion in assets under management.

Implementing a responsible and sustainable approach in each of its activities and areas of expertise is one of Crédit Mutuel Asset Management's priorities. This is why its range of products meets the needs of everyone and helps to finance virtuous solutions for a just ecological and energy transition for all. Its management processes and teams of experts affirm its convictions in terms of responsible finance.

Crédit Mutuel Asset Management aims to fully integrate ESG issues at three levels: issuer analysis, investment decisions and portfolio construction. The range comprises more than 50 accredited funds with assets under management of nearly €25.2 billion, including five new accredited funds in 2023. CM-AM Global Climate Change has renewed its GreenFin label. This fund invests in companies actively involved in the fight against global warming, the energy transition and sustainable development. The full range is also made available to external employee savings plans. In 2023, assets under active management in open-ended funds classified as Article 8 or Article 9 under SFDR regulations and Category 1 or Category 2 under French AMF regulations represented over 99% of assets under active management.

A player committed to responsible finance, it retrocedes part of the investment income of the CM-AM Partage fund in the form of donations to the France Active association. Each year, 50% of the fund's management fees are donated to a solidarity initiative to give meaning to its customers' savings.

In 2023, Crédit Mutuel Asset Management launched four new funds, including CM-AM Obli IG 2028, a maturity fund whose management objective is to offer a performance linked to the evolution of interest rates. CM-AM Impact First inclusion aims to invest in companies and issuers with positive social impacts.

In addition, it is developing its SMR action plan in line with the ambitions of Crédit Mutuel Alliance Fédérale. For example, conferences on responsible finance are organized for employees. The latter also take part in Eco Clean Up Week, which aims to free up computer storage space to reduce energy consumption. Lastly, it published three white papers for customers and employees on money, deforestation and human capital, in order to stimulate reflection on the themes of responsible and sustainable finance.

The year 2023 was also devoted to the Ensemble Gestion project, aimed at building a powerful asset management business line within Crédit Mutuel Alliance Fédérale. Crédit Mutuel Asset Management played a full part in defining the target architecture with a view to building a significant player in the French asset management landscape, the sixth largest French player with over €170 billion under management. The merger of all the entities making up the new group will take effect during 2024.

In 2023, Crédit Mutuel Asset Management was once again ranked in the top 50 asset management companies by Funds magazine.

Crédit Mutuel Gestion

A subsidiary of Crédit Mutuel Asset Management, Crédit Mutuel Gestion is the main asset management company for the federations and banks of Crédit Mutuel Alliance Fédérale. It offers various management services for financial assets held in securities accounts, equity savings plans, life insurance contracts or capitalization. Individuals, professionals, companies and associations benefit from the expertise of Crédit Mutuel Gestion's asset managers, and can opt either to delegate the management of their assets *via* discretionary management, arbitrage mandates or dedicated funds, or to have their assets monitored by Crédit Mutuel Gestion's advisory management or arbitration advisory services.

Working in close collaboration with the networks, Crédit Mutuel Gestion has given priority to local presence by locating its 181 employees in six regional divisions, on which 22 management centers depend. Crédit Mutuel Gestion also supports the networks in developing their financial offering. For example, it is involved in fund selection and allocation advice for certain Crédit Mutuel insurance portfolios and certain securities accounts and equity savings plans of federations and banks.

In 2023, the commercial activity led to the opening of 5,008 new policies, resulting in a gross contribution of €2.6 billion. Assets under management totaled €18.4 billion.

To support members and customers in their responsible investment choices, Crédit Mutuel Gestion incorporates environmental, social and governance criteria into its investment policy, adapting to a demanding regulatory environment. The consideration of ESG criteria alongside financial indicators aims to identify companies that are both efficient and innovative and offer solutions to meet environmental and social challenges. To this end, all asset managers have been trained in the analysis of these new non-financial criteria to be included in their management.

In 2023, Crédit Mutuel Gestion also supported Assurances du Crédit Mutuel in the implementation of their new sustainable managed financial offering. In addition, during the fiscal year, bond management profiles were emphasized, with a return of capital to this asset class.

Cigogne Management

Founded and owned by Crédit Mutuel Alliance Fédérale, Cigogne Management is a Luxembourg-based asset management company specializing in alternative management. Its particularity is to offer investors absolute return products in a context of controlled risk. Cigogne Management manages thematic or diversified alternative investment funds, a UCITS fund as well as indexed structured products. It benefits from the alternative asset management experience of CIC, which advises it. The products created are offered to customers with a view to long-term investment with a recommended holding period of between three and five years minimum.

The Luxembourg-based management team now manages €1.35 billion in assets for its investors through a diversified range of nine alternative funds.

Against a volatile market backdrop, Stork Fund DMS, Cigogne Management's flagship fund of funds, posted an excellent annual performance (+7.58%), outperforming its monetary rate target of +3%. This performance was made possible by a dynamic allocation between the various underlying sub-funds, with particular emphasis on credit asset classes, which performed particularly well this year. The global context of volatility proved favorable to the development of numerous investment opportunities.

The fiscal year was also marked by the launch of the new Cigogne UCITS - Credit Opportunities fund. The objective of this fund is to generate steady returns by exploiting a multi-strategy approach around the credit theme, while maintaining a low correlation with general market trends. The UCITS format will make it possible to offer developed hedge funds to the widest possible audience.

The year also saw an increase in Cigogne Management's commitment to Crédit Mutuel Alliance Fédérale's priorities and objectives as a benefit corporation, particularly those regarding environmental and societal aspects. With regard to its products, Cigogne Management embarked on a transformation process designed to increase its ESG commitment by classifying them as Article 8 funds under the SFDR regulation. Following an in-depth analysis of the regulatory and competitive framework for the adoption of ESG labels or guidelines, the company filed a draft prospectus with the market authorities, with the aim of converting part of its UCITS range to the so-called Article 8 category during the 2024 fiscal year. This classification will promote the environmental and social characteristics of its products, with a minimum proportion of sustainable investments.

CIC Private Debt

For more than 20 years, CIC Private Debt has been a key player in disintermediated financing for French and European SMEs. CIC Private Debt benefits from a significant flow of business thanks to its historical presence in the private debt market, and the support of an expert and recognized team of 37 professionals. Its activities are structured around four investment divisions to address a large number of financing opportunities: Mezzanine and Unitranche, Senior Mid Cap Debt, Senior Large Cap Debt and Infrastructure Debt. As a responsible investor committed to raising awareness and supporting portfolio companies in their ESG approach, CIC Private Debt integrates ESG issues throughout the investment process, including the pre- and post-investment phases.

CIC Private Debt is committed to adopting a responsible investor policy covering environmental, social/societal and governance issues, through the establishment of a Responsible Investor charter that applies to the entire team and the funds under management. CIC Private Debt is also a signatory of the Principles for Responsible Investment (PRI) and the France Invest charter.

With twelve funds under management, this entity manages €3 billion in assets.

In 2023, the management company successfully finalized the raising of its CIC Debt Fund 4 to €565 million and launched CIC Mezzanine & Unitranche N°6, which raised €302 million over the year. CIC Private Debt also launched its first CLO (Collateralized Loan Obligation) fund, Victory Street 1, in 2023 with its London team, as well as the 3rd release of its CIC European Large Caps Funds range. In addition, CIC Private Debt was once again ranked number 1 private debt player in France for the 1st half of 2023 by the specialist website Debtwire.

Crédit Mutuel Épargne Salariale

Crédit Mutuel Épargne Salariale is Crédit Mutuel Alliance Fédérale's specialized business center for the custody account keeping and management of employee savings accounts. It offers dedicated and personalized support to companies and their employees to assist them set up employee savings and retirement savings plans. Offers are distributed by Crédit Mutuel local banks and CIC branches under their own brand names. Crédit Mutuel Épargne Salariale is active on all markets but stands out through its turnkey offer for companies with less than 50 employees.

Crédit Mutuel Épargne Salariale has more than 1.29 million employee savings accounts and nearly 69,200 corporate customers. The total amount of assets under management is €12.1 billion. The distribution of new contracts amounted to 15,306 contracts, of which 8,738 were funded in the first year. Gross inflows reached a new high of €1,816.2 million, up +3.7%, including €160.2 million for payments on new contracts. Net inflows in financial management amounted to €542.5 million.

In terms of activity, the year saw continued support for customers and networks, in particular through the implementation of facilitators for the account managers of the local banks and branches. The economic crisis and tight labor market have highlighted the need for many companies to equip themselves with systems for sharing value, motivating employees and building loyalty.

In addition to the robo-advisor, human support is now offered to investors to guide them in their fund choices. As proof of the quality of its systems and support, Crédit Mutuel Épargne Salariale was ranked "Incontournable" – the best position in the ranking – by Décideurs, the reference magazine for the HR profession.

Crédit Mutuel Impact

Crédit Mutuel Impact is a management company investing in unlisted assets mainly *via*:

- the Environmental and Solidarity Revolution Fund, created in June 2023 and matched by the societal dividend of the Crédit Mutuel Alliance Fédérale group. Subscribed by BFCM and GACM, this is an impact fund that aims to support changes in production models, support carbon sinks, improve infrastructures and respond to market failures by favoring a long-term vision.

  Its portfolio is based on the six themes of ecological planning: better travel, better housing, better consumption, better food, better production, and better preservation and enhancement of our ecosystems. With a broad investment scope, it is committed to disruptive technological companies and facilitates the scale-up of emerging sectors for societal and solidarity-based transformation. The fund's investment policy prioritizes the environmental added value of industrial players by giving them the time necessary to develop and consolidate their financial strength. At December 31, 2023, the fund's net assets amounted to €360 million;

- an infrastructure fund invested in France in the field of renewable energies, electric mobility and thermal decarbonization of buildings for an amount of assets under management of €230 million at December 31, 2023. This fund, reserved for professionals, is fully subscribed on an intra-group basis (by Crédit Mutuel Capital);
- the FPCI Kairos Alpha fund for professional investors (€53 million in assets under management);

1.3.3.1.2 Private banking

Crédit Mutuel Alliance Fédérale's private banking is focused on providing quality customer service, in accordance with the profession's best practices. It relies on several entities each with a unique positioning. In France, the activity is provided by CIC Private Banking and Banque Transatlantique. CIC Private Banking, a branch business line integrated into the CIC network, addresses first of all the needs of business owners. Banque Transatlantique offers custom private banking services and stock-options. It also offers services dedicated to French customers living abroad. Internationally, the group has private banking entities in zones presenting strong growth potential such as Luxembourg, Switzerland and Belgium.

These outlets offer, in France as well as abroad, a large range of services with high added value to nearly 206,000 customers. Depending on its market and its capabilities, each entity may intervene in other customer segments than just the private clientele.

Private banking totaled [1] €207 billion in assets under management and €32 billion in loans.

CIC Private Banking

For more than 150 years, CIC Private Banking has supported wealthy families and business leaders in the development of their personal and professional assets. CIC Private Banking has 355 employees in 45 branches in France who offer high value-added services in the fields of financial and wealth engineering, asset allocation and financial management.

Alongside the wealth management engineers, the private bankers meet with business owners to identify their needs and define their business and wealth strategy. Solutions are then proposed in synergy with the network's business lines, which are experts in supporting companies. CIC Private Banking benefits from the national presence of the CIC network and its representation offices worldwide.

In 2023, CIC Private Banking pursued its development with new open-architecture structured product offerings, and a resolute commitment to ESG criteria. The Andera Smart Infra fund, classified under Article 9 of the SFDR regulations, enabled its customers to support the development of companies working in the field of sustainable infrastructure. ESG training was also rolled out to employees, and the decision was taken to create shared units in certain mutual funds. To support entrepreneurs and family shareholders, CIC Private Banking partnered with the Audencia business school to set up a Young Managers' Certificate for family businesses.

The Wealth Management market segment aiming to support major private relationships is operational in each region with the appointment of ten major relationship private bankers, and at national level with the creation of a dedicated support team.

Banque Transatlantique

Founded in 1881 as a private bank, Banque Transatlantique is 100% owned by Crédit Mutuel Alliance Fédérale. A singular player in the private banking landscape, Banque Transatlantique offers customized solutions in wealth management, support for French nationals living abroad and management of managerial shareholding plans.

Nearly 470 employees in 20 locations in France and abroad (London, Luxembourg, Brussels, Courtrai, Hong Kong, Singapore, Montreal, New York, Boston and San Francisco) serve the most discerning French clientele: High Net Worth Individuals (HNWI), family offices, executive management, entrepreneurs, expatriates, diplomats and senior civil servants.

Continuously growing for over 20 years, Banque Transatlantique manages more than €62 billion of financial savings for its customers and is one of the leading private banking groups.

Banque Transatlantique has strong expertise in asset allocation and private asset management, activities housed in its subsidiaries Dubly Transatlantique Gestion, Transatlantique Private Wealth, Banque Transatlantique Belgium and Banque Transatlantique Luxembourg. Dubly Transatlantique Gestion's investment performance was recognized by Le Revenu magazine, which awarded its Cipec Liberté International Dynamique fund a Trophée d'Or in 2023 in the 10-year diversified funds category.

In a new interest rate environment, the commercial performance of the subsidiaries and business lines enabled Banque Transatlantique to achieve net revenue of €206 million.

As the French leader in the structuring and management of shareholding plans, Banque Transatlantique is the preferred partner of major French and international companies, as well as listed and unlisted SMEs. Nearly a third of SBF120 companies are Banque Transatlantique customers.

Banque Transatlantique's philanthropic activities have historically focused on supporting France's international influence, and in 2023 it signed an environment-focused partnership agreement with the Fondation de la Mer. It aims to stimulate and reward maritime innovation. Equally concerned with helping customers who want to give meaning to their money, it offers them the Fonds de Dotation Transatlantique to structure their philanthropic or sponsorship initiatives. Three new funds were created in 2023.

Finally, Banque Transatlantique was once again named "Essential Bank" in the Affiliated Private Banking category for 2023 by *Décideurs Magazine.*

Banque de Luxembourg

Founded in 1920, Banque de Luxembourg is one of the largest banks in Luxembourg. With more than 1,000 employees, it serves local and international retail customers, entrepreneurs and professionals in the asset management business.

It offers private customers tailor-made support in the management, valuation and transmission of their assets and the financing of their projects. It also assists families with estate planning, governance and philanthropic projects. It relies on its subsidiary Banque de Luxembourg Investments (BLI) to offer its clients expertise in asset management through a diversified range of investment funds.

(1) Data on all private banking business (CIC Private Banking, Banque Transatlantique Group, Banque de Luxembourg and Banque CIC (Suisse)).

Banque de Luxembourg also supports entrepreneurs – with particular attention to their families – as well as real estate developers, both in the financing of their projects and in their cash management. In terms of governance, a particular know-how in business transmission has been developed, including the integration of the rising generation, with the dual objective of perpetuating the company and preserving family harmony.

In addition, as a pioneer in the development of a pole of competence dedicated to investment funds, it provides initiators with a wide range of services, both in the area of liquid assets and private assets, with enhanced ESG expertise. Support ranges from the creation of investment vehicles to central governments and international distribution. Independent asset managers benefit from a wide range of customized products and services, allowing them to delegate administrative tasks and focus fully on their core business: advising their customers and developing their business.

In April 2023, Banque de Luxembourg joined the community of over 7,000 certified B Corp™ companies worldwide. This ambitious label is awarded to companies that meet high standards of social and environmental responsibility, governance and transparency. With this in mind, the bank has drawn up a solid roadmap for achieving its objectives. Aware of its social responsibility towards its customers' investments, Banque de Luxembourg offers a diversified range of ESG-compliant investments. For example, the vast majority of the BLI subsidiary's range of investment funds are considered responsible or even sustainable, as they are classified as at least Article 8 under SFDR regulations. The same applies to the discretionary management mandates offered by private banking, which, in addition to traditional financial criteria, also apply ESG criteria, sector exclusions and monitor controversies or major negative impacts. The socially responsible fund management mandate is in the process of obtaining the LuxFLAG label, a demanding certification that confirms the ESG approach adopted within this mandate.

Banque de Luxembourg won several awards for its asset management and fund performance through its management company BLI - Banque de Luxembourg Investments. It won 3rd place as Fondsboutique des Jahres at the Fund Awards 2023 in Germany. At the same ceremony, the BL Fund Selection 0-50 fund of funds was named best fund in the fund-of-funds category, with a focus on 1, 3, 5 and 10-year bond funds. The BL Global Flexible USD mixed fund won several awards in different countries: *Österreichischer Fondspreis* 2023 (3rd place), *Deutscher Fondspreis* 2023 (3rd place), De Tijd & L'Echo Fund Awards 2023 (1st place) in Belgium, Refinitiv Lipper Fund Awards 2023 in Austria, France and the Netherlands (1st place) and Mountain View Fund Awards 2023 in Austria (1st place). Its "brother" BL Global Flexible EUR was successful at the Refinitiv Lipper Fund Awards United Kingdom 2023 (1st place). The BL American Small & Mid Caps fund won first place in the five-year Equity US Sm&Mid Cap category at the Refinitiv Lipper Fund Awards Germany 2023.

In June 2023, BLI - Banque de Luxembourg Investments and Funds for Good (FFG) launched two new equity strategies in partnership: FFG European Impact Equities and FFG American Impact Equities. Both funds are classified as Article 9 under SFDR regulations. The aim is to offer investment solutions that generate a dual impact: through investments targeting companies that contribute to the achievement of sustainable development goals, and post-investment, with the generation of a local and direct impact made possible by the retrocession of part of the funds' management fees to Funds for Good Impact. The aim of this partnership is to support entrepreneurs in precarious employment or with a project with a social or environmental dimension.

Finally, the bank has embarked on an ambitious transformation process to meet the challenges of tomorrow and achieve the ambitions of efficiency, customer focus, durability and sustainability that it has set itself in its strategic plan. In terms of projects, the customer data lifecycle, from opening to closing, was reviewed and strengthened. To optimize the credit granting process, a new function was added to the employee toolbox, enabling automated generation of contracts for standard loans. New technology was also added to the main tool for customer managers. The bank continued its efforts to keep pace with the latest regulatory developments.

Banque CIC (Suisse)

Established in Switzerland since 1909, Banque CIC (Suisse) is a preferred banking partner for companies, large private customers and entrepreneurs. With the expertise of its 461 employees and its ability to innovate in order to provide ever-better support for its individual and corporate customers, it has set its sights on becoming a benchmark bank for the Swiss economy.

With a balance sheet total of €14.3 billion, Banque CIC (Suisse) is a long-term component of the Swiss banking landscape.

The year 2023 was marked for Banque CIC (Suisse) by a strategic review aimed at strengthening its market position as a bank serving entrepreneurs and businesses, and further exploiting synergies with the group. The bank has extensive expertise in financial investments and financing, as well as many years' experience in supporting businesses and demanding customers. Thanks to this new strategy, it can now concentrate more on its primary mission as a bank serving businesses and entrepreneurs.

1.3.3.2 Corporate banking

Corporate banking meets the strategic challenges of Crédit Mutuel Alliance Fédérale's large corporate and institutional customers. It intervenes as part of a global approach to their needs. Its teams are based both in France and in CIC branches in London, Brussels, New York, Singapore and Hong Kong. Corporate banking offers specialized financing and development solutions adapted to the needs of each customer in France and abroad. It also supports the action of the business' networks for their large customers.

1.3.3.2.1 CIC Corporate: large companies and institutional investors

CIC Corporate is the point of entry and contact for Crédit Mutuel Alliance Fédérale's major customer accounts. It assists large French or foreign industrial companies, whether listed or not, with revenue of more than €500 million. It also offers its solutions to institutional investors such as insurance companies and pension funds. Finally, it meets the needs of public/semi-public organizations such as large non-pro or social organizations.

Organized by economic sector, the CIC Corporate team is notably made up of sales associates with a customer portfolio. They advise and propose financing solutions adapted to needs or the activity. Employees also draw on the expertise of Crédit Mutuel Alliance Fédérale's various business lines in France and abroad, which they coordinate.

In a period of inflation and upheaval in monetary policy, investment operations continued in 2023 at a slower pace than in 2022. Nevertheless, revenues rose sharply, boosted by the rise in lending rates, which had a very positive impact on net interest income, as well as by a strong sales momentum, notably linked to strategic operations or securing trade in France and abroad (financing, bond issues, guarantee issues, factoring, etc.).

During the fiscal year, the team dedicated to structuring and sustainable finance continued to grow. In charge of structuring impact financing for customers, it assists CIC Corporate sales representatives and regional banks in arranging financing for their customers. It also responds to requests from BECM, from the bond structuring department and from the specialized financing department and other specialized business lines that request it.

1.3.3.2.2 Structured finance

CIC's structured financing department supports the projects of Crédit Mutuel Alliance Fédérale's corporate customers. Comprised of four business lines: acquisition financing, project financing, asset financing and securitization, it offers solutions adapted to each type of transaction. Its teams operate in France and internationally, with branches in New York, London, Brussels, Hong Kong and Singapore.

The acquisitions financing business line helps its customers to carry out their corporate transfer, external growth and development projects. Its expertise and know-how in structuring allow it to offer customized financing.

In terms of project financing, after performing in-depth analysis of the project, CIC prepares tailor-made financial packages. It draws on the expertise and experience of a dedicated team of project analysts. CIC is notably involved in project financing in the energy and infrastructure fields. It has specific expertise in renewable energies. Financing with a positive climate impact totaled €2.9 billion. Europe continues to dominate the geographical distribution of outstandings with 75% of authorizations granted. The other main projects originated in Asia Pacific and the Americas.

The asset financing business line offers its expertise in France and abroad. It operates in the aeronautics sector for the financing of aircraft fleets. In maritime transport, it offers to finance transport vessels, passengers and containers. It also covers the energy sector, with financing for offshore wind farm installation and maintenance vessels. This business line was also strengthened in the green mobility sector, which includes railways and public transport.

The securitization business line is responsible for the sale of marketable securities. To this end, CIC has set up a "Satellite" securitization vehicle that refinances the bank's securitization transactions with its corporate customers.

1.3.3.2.3 International activities and foreign branches

CIC, through its international activities department supports corporate customers in carrying out their international projects. The support of these customers and the development of their activities abroad is achieved thanks to the support of Crédit Mutuel Alliance Fédérale networks in Germany, Belgium and Switzerland, CIC branches and representative offices and strategic partnerships.

CIC's five branches in Great Britain, the United States, Hong Kong, Singapore and Belgium aim to support and finance corporate customers in strategic areas of the world. They also enable them to access other Group business lines, such as financing for acquisitions, assets, projects or capital markets. The mission of the 36 representative offices – including the five international development offices located in these branches – is to assist Crédit Mutuel Alliance Fédérale's customers in their development projects. They respond to requests from customers seeking information on markets or looking for a distributor, supplier or sales agent. Locally, these representative offices maintain effective relationships with the customers' banks and subsidiaries. They also work on behalf of other Crédit Mutuel Alliance Fédérale business lines, in close collaboration with the CIC Aidexport subsidiary. International customers support is also based on strategic partnerships: in Canada with Desjardins, in China with Bank of East Asia, in the Maghreb with Banque de Tunisie. Overall, through its various networks, more than 50 countries are covered.

The international activities department provides its customers with a full range of offers to address development issues outside France. It offers banking products and services designed to guarantee, safeguard and finance international business transactions. Customers thus have access to documentary letters of credit, international guarantees, cash flow and currency risk management, export financing and working capital requirements. Despite geopolitical stress and a lack of visibility, support for customers in securing their sales continued: documentary transactions, international guarantees, forfeiting, supplier loans, buyer loans etc.

Managed by a single ISO 9001-certified business center, the processing of international documentary transactions and guarantees is spread across France in five regional hubs to ensure close collaboration with corporate banking branches. In addition to the traditional roles of trusted intermediary in international business transactions, CIC offers companies international support. Through its specialized subsidiary, CIC Aidexport, customers receive personalized assistance and advice for their international development. Dedicated employees work closely with the network's account managers, branches and representative offices. Their role is to develop multi-market targeting, select partners, assist in the commercial or industrial implantation and offer a detailed and realistic analysis of the target market. In 2023, nearly 250 companies were supported by CIC Aidexport. During this period of various tensions (economic, geopolitical…), the teams of the representative offices played, for the customers, a role of ambassadors constituting an effective relay.

1.3.3.3 Capital Markets

CIC Marchés comprises the commercial capital markets business - under the CIC Market Solutions brand - for corporate customers and financial institutions, investment activity and the post-market services that support these activities.

Benefiting from opportunities arising from movements in the financial markets, CIC Marchés posted an increase in net revenue to €465 million (+36.0%), and a sharp rise in net income to €147 million (+90.1%).

1.3.3.3.1 Commercial activities (CIC Market Solutions)

CIC Market Solutions supports companies in their need for access to market financing, interest-rate, currency and commodity hedging products and corporate brokerage; and financial institutions in their need for market access and asset servicing solutions. By connecting issuers and investors, CIC Market Solutions enables the successful completion of the financial transactions entrusted to it.

CIC Market Solutions thus advises and accompanies corporate customers and financial institutions in their risk hedging issues in terms of interest rates, exchange rates and commodities. CIC Market Solutions provides both standardized hedging solutions and fully customized solutions adapted to the identified risk issue. Nearly 10,000 hedging transactions were processed on behalf of nearly 5,800 customers. CIC Market Solutions operates on the interest rate market, mainly in euros, on the currency market and on the main commodity categories: energy - including natural gas and electricity - industrial metals and agricultural commodities. CIC Market Solutions carries out transactions on financial instruments for its customers: bonds, equities, ETFs and derivatives on regulated markets.

With €11.3 billion in structured EMTNs outstanding at the end of 2023 (€4.3 billion issued in 2023) and 2,280 products issued, CIC Market Solutions offers corporate clients and wealthy or institutional investors, customers of the group's networks or its external partners, a high-performance range of investment products as part of CIC's issue program.

As Crédit Mutuel Alliance Fédérale's core business for market financing and other financial transactions, CIC Market Solutions took part in 61 primary transactions in 2023, despite a very unfavorable market environment for fund-raising:

- 54 bond market issues on behalf of corporate and financial sector issuers and
- 7 ECM (Equity Capital Market) transactions, including one DE-SPAC-ing

Three finalized public offerings were also completed (not to mention several others in progress at the end of the year).

CIC Market Solutions also proposes corporate brokerage solutions to businesses (liquidity agreement, share buyback, corporate execution, reclassification of shareholdings, sponsor listing), securities services for issuers (keeping the shareholders' register, preparing and holding Shareholders' Meetings, financial services for security transactions) as well as sponsored research.

CIC Market Solutions also offers range of dedicated services to support and advise financial institutions whether they are asset management companies or institutional investors: investment decision assistance solutions, execution and post-market solutions, custody account keeping and depository solutions for UCIs. With 130 deposited management companies and over 35,000 administered customer accounts, CIC Market Solutions is the leader on the portfolio management companies and independent UCI's segment for custody account keeping and the depository function.

CIC Market Solutions also supports its customers internationally, thanks in particular to the Market Solutions Asia teams in Singapore and Hong Kong and the United States (CIC Market Solutions Inc.).

Drawing on the expertise of its analysts - economic and financial markets, equities and credit, including an ESG dimension - and its partners (M.M.Warburg & Co and ESN LLP - European Securities Network), CIC Market Solutions offers a broad equity research coverage of over 550 European companies.

CIC Market Solutions has also developed a range of products and services linked to the environmental transition, in line with Crédit Mutuel Alliance Fédérale's strategy. Accordingly, its Sustainable Research division was strengthened to complement the global Research offering for investor customers, and to support issuers in their ESG bond operations (Sustainability-Linked Bonds, Green Bonds, Social Bonds). The division offers hedging products designed to help customers make the transition to a greener future.

1.3.3.3.2 Investing activities

The investment activity essentially covers the buying and selling of securities acquired with the intention of holding them long-term, as well as transactions on financial instruments related to them. These transactions performed by CIC Marchés in CIC's balance sheet, give Crédit Mutuel Alliance Fédérale control over the main market products which are necessary for its customers and itself. The investment strategy is to achieve positive performance by limiting the volatility of the financial results from these activities.

The investment business line covers a wide range of financial instruments. It is divided into three desks: rate desk (fixed income), equities desk (M&A special and hybrid operations) and credit desk (ABS/MBS, corporate loans, financial institutions, treasury securities). These activities are organized into specialties defined by the body of rules. The teams in charge of these activities conduct these transactions according to a strict framework of limitations. In 2023, the recurring hedges put in place to reduce volatility helped to mitigate the variations linked to the multiple geopolitical tensions and the banking events of March.

The expertise deployed is also used for Crédit Mutuel Alliance Fédérale's alternative management company, Cigogne Management SA, which CIC provides investment advice for. Cigogne Management SA's outstandings at the end of 2023 amounted to €1.3 billion.

In 2023, the Investment business line continued to adjust its portfolios to the changes in Crédit Mutuel Alliance Fédérale's sectoral policies, reflecting the group's commitment to supporting the environmental transition. In addition, work on green finance and sustainable investment continued with the "Finance and Environmental Issues" research chair created in September 2022 with the Fondation Université de Strasbourg.

1.3.3.4 Private equity

Crédit Mutuel Alliance Fédérale provides equity financing for start-ups, SMEs, mid-sized and large companies *via* its Crédit Mutuel Equity entity, which brings together all the group's equity business lines: innovation capital, private equity, buyout capital, as well as M&A advisory services. Crédit Mutuel Equity finances development projects, mainly in France *via* eight regional offices - Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse -, but also abroad through subsidiaries in Germany, Belgium, Switzerland and Canada.

Crédit Mutuel Equity invests Crédit Mutuel Alliance Fédérale's equity on a long-term basis and works alongside its managers to promote innovation, growth and employment, enabling them to carry out the necessary transformations of their business models, create financial and non-financial value and reach new levels of economic, social and environmental development. Proof of this commitment over time: more than a quarter of its 333 investments have been held for more than ten years. However, portfolio renewal remains very dynamic, reflecting the strength of the structure: over the last three years, more than €1.5 billion has been sold and more than €1.7 billion invested.

Fiscal year 2023 saw a historic level of investment. Nearly €700 million were deployed with due caution in view of geopolitical uncertainties, their economic consequences on the expected growth of companies and the resulting valuation multiples. In France, no less than €430 million were invested in new companies throughout the country, and almost €200 million reinvested in the capital of portfolio companies.

In 2023, Crédit Mutuel Equity made 27 new investments, including: Claire (manufacture and distribution of water network performance equipment and solutions), Milexia (specialized distributor of components for the electronics industry), Nating (design and formulation of ingredients and customized solutions for the confectionery and bakery sector), Gascogne (manufacture of natural kraft paper and industrial bags, consumer), Dimotrans Group (international transport and logistics solutions), Arverne Group (exploitation of underground resources), Sea TPI (implementation of innovative IT service centers), SFE Process (equipment for the extraction and purification of molecules using supercritical fluids) and Horizon Groupe (mobile home trading). In innovation capital, investments included Quandela (quantum computer), Harfanglab (cybersecurity), Mecaware (battery recycling), Worldia (new-generation tour operator), Obat (management platform for building professionals) and Glopal (e-commerce platform enabling brands to develop their international sales).

Crédit Mutuel Equity also reinvested in portfolio companies, notably Financière Ciné Digital (fitting out and equipping cinemas), Aster Développement (processing durum wheat and manufacturing pasta, couscous and cereal products) and Gerflor (designing, manufacturing and selling flooring solutions).

The main divestments concerned Hunkeler (equipment for finishing documents produced by digital printing), Evolis (design and manufacture of printers for plastic cards) and Elisante (high-precision screw-machining).

This portfolio, in terms of invested assets, reached €3.8 billion, demonstrating the strong momentum of these private equity business lines across all their segments.

For the 2nd year running, CIC Conseil achieved a record year for commissions invoiced on mergers and acquisitions. Despite a difficult market environment, 28 transactions were finalized in 2023, generating nearly €15 million in commissions.

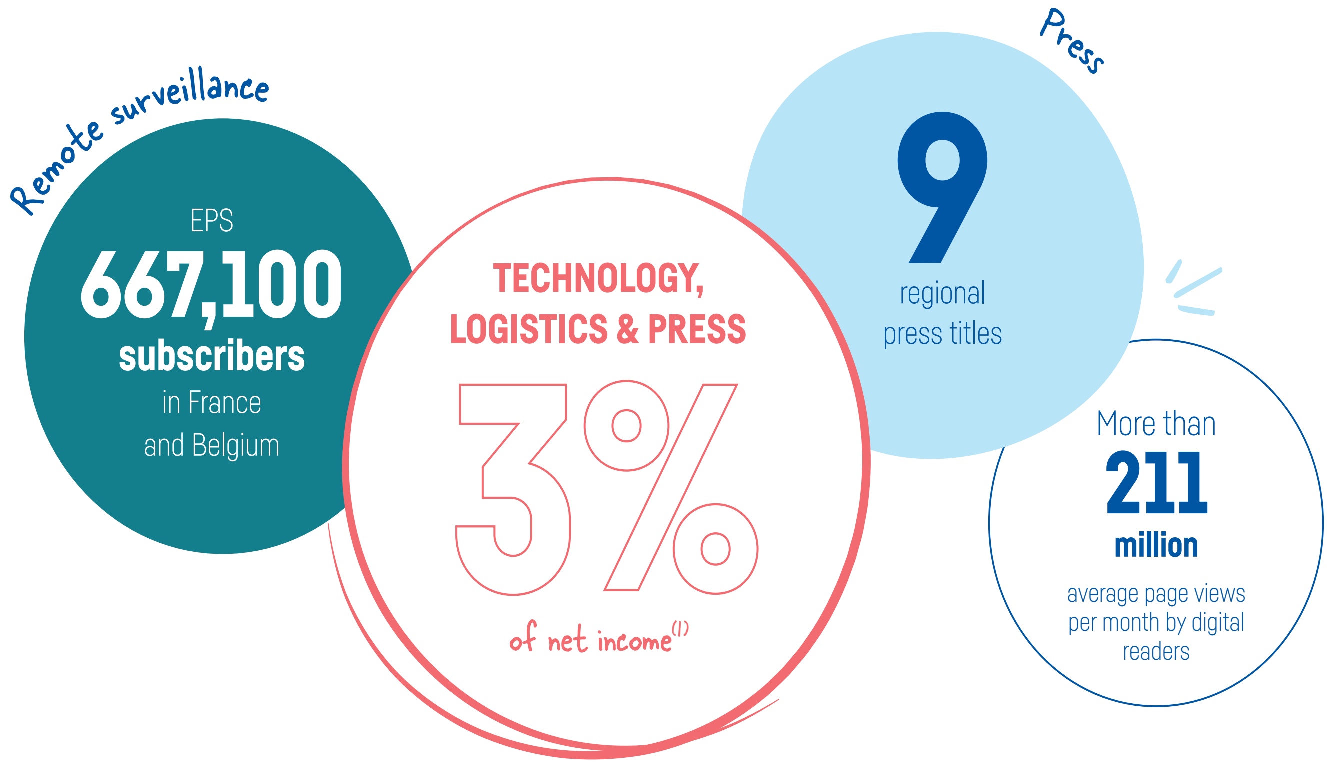
Crédit Mutuel Equity also accelerates the structuring of support for its investments. The objective is to implement a sustainable transformation of these companies in terms of their human values and their economic and environmental approach. This orientation aims to make them more financially and non-financially sound. This requires, in particular, the definition of a roadmap for a responsible and sustainable strategy, with the implementation of impact monitoring tools.

Crédit Mutuel Equity also signed a three-year sponsorship agreement with the French Institute of Corporate Governance (IFGE) and participates, with the managers of its subsidiaries, in research work on the responsible governance models of tomorrow. Indeed, ESG imperatives and the urgency of the climate transition are changing a company's responsibility to society. The latter is increasingly demanding accountability from the company, which is seen as a societal player driving forward progress. In this context, corporate governance must take into account the interests of all stakeholders. This research will be published in a white paper.

This year, Crédit Mutuel Equity also signed a forward-looking partnership agreement with Prophil on the challenges of multi-capital accounting, integrating both financial and non-financial aspects. These moves towards new evaluation criteria are still in their infancy, but there is a desire to develop international benchmarks and move towards standardization, and Crédit Mutuel Equity has a duty to support its investments in this direction.

These various initiatives illustrate Crédit Mutuel Equity's unique positioning: a player in finance focused on the common interest, concerned with sharing the creation of value between all stakeholders, including employees. But also a shareholder committed to local development and a long-term investor, thanks to its rare model of deploying its own capital.

1.3.4 Technology, logistics and the press



(1) Share of Crédit Mutuel Alliance Fédérale net income excluding the Holding segment.

This division comprises Crédit Mutuel Alliance Fédérale's technological companies, logistic structures and press activities.

Euro-Information

Euro-Information SAS acts as an IT holding company for Crédit Mutuel Alliance Fédérale and the other members. In particular, it provides financing for all IT and IT-related investments, as well as for technical subsidiaries.

In 2023, its revenue amounted to €1.61 billion.

Euro-Information Développements

Euro-Information Développements is in charge of all the group's IT developments and is responsible for the development of the information system shared by 16 Crédit Mutuel Fédérations, the CIC banks and the various Crédit Mutuel and CIC business lines. The needs are taken care of according to guiding principles: quality of the service provided, security, data protection and control of technologies and developments. In 2023, 956,470 development days were produced, up +3% on 2022.

Some of the 2023 achievements are presented below, in line with the commitments of the Benefit corporation:

- as part of commitment 10 of mission 4, "As a solidarity-based company we contribute to regional development", Euro-Information supported the implementation of a measure to support local associations with a free solidarity banking package (account, card, mobile application);
- in addition to commitment 14 of mission 5 "As a responsible company, we are working for a fairer and more sustainable society", the Euro-Information Développement insurance sector has been mobilized to implement the abandonment of medical formalities in the context of borrower insurance since 2021 and continued its mobilization in 2023;
- in addition, under commitment 15 of the same mission, "Commit to customers in financial difficulty with an account at €1 net per month with no incident fees", 58,391 customers were able to benefit.

The IT transformation project, a sub-set of projects of the revised 2019-2023 strategic plan, contributes to commitment 7 "Guaranteeing the privacy of our customers' data by processing 99.0% of their information in our infrastructures and systems located in France" and commitment 8 "Investing the productivity gains from artificial intelligence in employment and development" of mission 3 "Respectful of everyone's privacy, we put technology and innovation at the service of the human".

With regard to commitment 7, Euro-Information has infrastructures in France: after the datacenter in Verlinghem commissioned at the end of 2021, Euro-Information continues to develop its infrastructures with the Datacenter Est de la France (DCEF) project and the construction of two new datacenters located in Fauverney and Saint-Apollinaire. These data centers, whose design has already been certified Uptime Tier IV TCDD (design Tier Certification of Design Document), will very shortly begin the process of Tier IV TCCF certification (construction Tier Certification of Constructed Facility) before their commissioning, scheduled for the 3rd quarter of 2024. In addition to their very high level of resilience (only a few minutes of stoppage per year), these data centers incorporate an unprecedented environmental approach, with the aim of obtaining the EcoJardin and Biodivercity labels.

As part of commitment 8, the Cognitive and OCR (Optical Character Recognition) Factory and the Data Factory are important contributors. Thus:

- artificial intelligence is a way of freeing up administrative time for advisors, for example, in day-to-day email management, notably by facilitating the management of customer email attachments, a feature to be rolled out in 2023;
- thanks to the technological contributions of OCR, cognitive solutions and digitization (electronic signatures, simplification of processes and digitalization of documents), 2.57 million hours were freed up for banking networks in 2023, with productivity gains reinvested in the development of customer relationships;
- the studies initiated in 2022 in the field of quantum computing will enable us in the near future to optimize certain AI-based mechanisms.

As a result of constant developments and notably carried out during the year 2023, the mobile applications continue to be recognized:

- in France, the Money Vox Trophies awarded the CIC and Crédit Mutuel mobile applications 1st and 2nd place respectively for network banks;
- for online banks, the Monabanq mobile application was rewarded.

These awards also extend to European markets:

- in Germany, TARGOBANK's mobile application was awarded the trophy for best banking application by Focus Money magazine. Of particular note is the excellent score on Android (4.6 stars out of 5);
- in Belgium, Beobank's mobile application continued to grow, and is now ranked 4th by Sia Partners.

Euro Protection Surveillance (EPS)

Euro Protection Surveillance offers residential and business remote security services under the Homiris brand. The service is mainly marketed through the banking and insurance networks in France and Belgium, under an "all-inclusive" subscription. Homiris offers are also marketed by BNPP in France and BNPP Fortis in Belgium.

EPS is a leader in residential remote surveillance in France [1] with a market share of around 33% in terms of number of connections.

In 2023, EPS continued its development with the signature of more than 75,000 new contracts and now has more than 667,100 subscribers.

The quality of service provided by EPS through Homiris was once again recognized by Capital magazine, which named it Best Retailer of the Year 2024 [2] in the remote surveillance category. A success that is based as much on the quality of service as on French "savoir-faire". Homiris is the only company in the sector to design and manufacture its equipment in France, with "Origine France Garantie" certification.

EPS strengthened this know-how in October 2023 with the acquisition of its main manufacturer of cards and electronic products, Staymatel, a partner since 2004.

The Lyf Pay electronic wallet

Lyf is a French fintech that simplifies payment and reinvents everyday shopping.

It provides retailers, catering operators and independent professionals with digital solutions enabling them to streamline their cash flow and digitalize their customer relations.

Its Lyf Pay application offers simple, cutting-edge and secure mobile payment solutions to nearly 4 million individuals.

Lyf is supported in its growth by leading shareholders in the banking, payment and retail sectors: BNP Paribas, Crédit Mutuel [3], Auchan, Groupe Casino, Mastercard and Oney.

Press

The EBRA group, which brings together the press activities of Crédit Mutuel Alliance Fédérale, is the leading regional daily press group in France. Its main titles – *Le Dauphiné Libéré, L'Est Républicain, Vosges Matin, Le Républicain Lorrain, Les Dernières Nouvelles d'Alsace, L'Alsace, Le Progrès, Le Journal de Saône et Loire* and *Le Bien Public* – cover information for 23 departments in France. In addition to its print media, the EBRA group's digital transformation gives all its titles strong digital audiences. On average, in 2023, more than 211 million pages were viewed each month. Added to these audiences are those of the Humanoid group and its three pure player brands (*Frandroid*, *Numérama*, *Madmoizelle*), which joined EBRA in 2022 and recorded over 30 million monthly page views in December 2023.

(1) *Source: "Atlas 2023 En toute sécurité – Residential remote surveillance".*
(2) *Online survey conducted by Statista among 20,000 consumers in 2023 from June 21 to July 25, 2023, and published in Capital magazine in November 2023.*
(3) *Crédit Mutuel Alliance Fédérale (Crédit Mutuel Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique and Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen, Anjou, Massif Central, Antilles-Guyane and Nord Europe federations), Crédit Mutuel Maine-Anjou, Basse-Normandie and Crédit Mutuel Océan.*

In 2023, the group continued its digital transformation. Digital subscriptions increased by +20% between 2022 and 2023. The share of local digital advertising also increased, rising from just over 18% to 21% of advertising revenue generated by the EBRA group's local agencies.

Within the EBRA group, the subsidiary EBRA Events manages the events organized by the group, with the ambition of becoming the national leader in regional events with a positive impact. To meet this ambition, diversification into the events business accelerated in 2023, with the acquisition of a majority stake in KCIOP, organizer of the La Grande Odyssée sled dog race, among other events, and the purchase of Livevent, a company that organizes inter-company sports challenges.

In 2023, the EBRA group continued to deploy its strategic plan around four priority areas:

- strengthen content and services that create value and engagement;
- develop a growing, profitable and sustainable revenue model;
- invest in new high-contribution growth drivers;
- support the personal development of its employees and affirm its culture of excellence.

This plan is in line with the group's *raison d'être*: "Act to strengthen local ties and trust between players in our regions". To support its *raison d'être* and its press titles, the group launched a communications campaign and a manifesto around the brand signature "The press that binds us".

In order to adapt to new uses and take better account of the reading contract, EBRA group publishers developed and implemented a new paper format. The new, more modern layout facilitates access to information, improving legibility and reading comfort.

Furthermore, in 2023, EBRA became the first French press group to obtain JTI -Journalism Trust Initiative certification, thus reaffirming its editorial commitment to journalism of excellence, responsibility and transparency, as well as the independence of its titles.

Lastly, as a responsible and committed company (a 2-star Positive Company® labeled group), EBRA has committed:

- for biodiversity with the editorial program *Oiseaux de Bonheur*, which informs readers about the rich biodiversity of birds and raises awareness of endangered species. The Alsace-region newspaper *Les Dernières Nouvelles d'Alsace* has also installed beehives on the roof of its premises in the center of Strasbourg to raise awareness among residents and reintroduce bees, essential pollinators, into urban environments;
- for equal access to the journalism profession with the *La Chance* association (an association that promotes social diversity in the media);
- for the development of its employees for optimal adaptation to the transformations of the press and media professions with its internal training body EBRA Académie, which welcomed more than 600 students in 2023 in seven professional paths and three co-development programs.

Beyond that, the Group is continuing its efforts to achieve decarbonization by 2050.

1.4 HISTORY

1.4.1 Origins of Crédit Mutuel

At the end of the 19th century, the farming communities in Germany's Rhineland region were impoverished as a result of usury.

Frédéric-Guillaume Raiffeisen (1818-1888) then developed a new concept to combat poverty. The idea was to arrange loans to finance the resources needed for farming (seeds, livestock, etc.) based on the savings and responsibility of all villagers – the shareholding members. Interest was paid on the savings collected. The foundations of Crédit Mutuel had been laid:

- loans were only granted to shareholding members;
- limited (after originally being unlimited) joint and several liability of shareholding members;
- a democratic organization: one person equals one vote, voluntary membership, no remuneration for directors;
- limited geographic areas;
- no pay-out of financial surpluses;
- indivisible reserves.

Such was the foundation on which Crédit Mutuel was built and which continues to underpin the company to this day...

1.4.2 Main dates

1882 Creation of Crédit Mutuel's first bank in La Wantzenau.

1885 Creation of the first federations: Basse-Alsace and Haute-Alsace.

1897 Creation of the Lorraine federation.

1905 Creation of the Alsace-Lorraine federation.

1933 Creation of Banque Fédérative du Crédit Mutuel under the name Banque Mosellane on June 1.

1958 Crédit Mutuel obtains legal status at national level. Fédération d'Alsace-Lorraine becomes Fédération du Crédit Mutuel d'Alsace et de Lorraine. Banque Mosellane becomes Banque Centrale des Caisses de Lorraine. In 1966, its name is changed to Banque du Crédit Mutuel Lorrain (BCML).

1971 Creation of Assurances du Crédit Mutuel. Opening of the Bischenberg training center.

1972 Expansion of the scope to Franche-Comté; the group is renamed Fédération du Crédit Mutuel d'Alsace, de Lorraine et de Franche-Comté.

1992 Restructuring of the head office entities: merger of the former Banque Fédérative du Crédit Mutuel (BFCM) and Expansion Rurale et Urbaine (ERU) to form Caisse Fédérale Centre Est Europe; transfer of the Commercial Banking of the former BFCM to Banque de l'Économie Crédit Mutuel (BECM), of the holding company activity of the former BFCM to Banque du Crédit Mutuel Lorrain (BCML), of the Commercial Banking of BCML to BECM; change of name of BCML to BFCM.
Crédit Mutuel Centre Est Europe (CMCEE) is formed through the merger of two federations – Fédération d'Alsace, de Lorraine et de Franche-Comté and Fédération de Bourgogne-Champagne.

1993 Partnership between CMCEE and Crédit Mutuel du Sud-Est (CMSE).

1998 BFCM acquires 67% of CIC's capital for €2 billion.

2001 BFCM acquires the remaining 23% stake in CIC held by Groupama.

2002 Partnership between CMCEE, CMCSE and Crédit Mutuel Île-de-France.

2004 Creation by Euro-Information, in partnership with Banque de Tunisie, which is 20%-owned by CIC, of two subsidiaries in Tunisia specializing in information systems development (IID) and outgoing calls (Direct Phone Services).

2006 Fédération Crédit Mutuel Savoie-Mont Blanc joins the Caisse Interfédérale, bringing the number of member federations to four.

2007 Acquisition of the Groupe Républicain Lorrain.
Creation of the subsidiary CM-CIC Covered Bonds, and launch of a €15 billion EMTN (Euro Medium Term Notes) program.

2008 Acquisition of 100% of the capital of the French subsidiary of Groupe Banco Popular Español by BFCM.
Acquisition of the majority of the capital in l'Est Républicain by BFCM through France Est by BFCM.
Acquisition of 100% of the capital of Citibank Germany by BFCM.

2009 Fédération Crédit Mutuel Midi-Atlantique joins the Caisse Interfédérale, bringing the number of member federations to five.
Acquisition of majority control of Cofidis Participations by BFCM and Trois Suisses International ("3SI"): acquisition of 51% of Cofidis Participations by a holding company jointly owned by BFCM and 3SI and 67%-controlled by BFCM.

2010 Creation with Banco Popular of a network that strengthens the Group's network in France and neighboring countries, particularly in Spain.

2011 The Crédit Mutuel Loire-Atlantique et Centre-Ouest, Crédit Mutuel du Centre, Crédit Mutuel Normandie, Crédit Mutuel Dauphiné-Vivarais and Crédit Mutuel Méditerranéen Federations join Caisse Fédérale de Crédit Mutuel, bringing the number of member federations to ten.
A partnership between the group and Groupe Casino to market financial products through Banque Casino.

2012 Fédération du Crédit Mutuel Anjou joins Caisse Fédérale du Crédit Mutuel, bringing the number of member federations to 11.

2013 Crédit Mutuel CM11 Group and Mouvement Desjardins – Canada's leading cooperative financial group – create Monético International.
Signature of several agreements allowing BFCM to directly or indirectly hold 54.63% of the capital of Cofidis Participations.
Partnership agreement, through Euro-Information, with Banco Popular Español SA to create a 50%-owned joint venture to manage a fleet of ATMs in Spain.

2014 Increase in Crédit Mutuel CM11 group's stake in Banque de Tunisie to 34%.

2015 Acquisition of Atlantis by Groupe des Assurances du Crédit Mutuel following the consolidation of Agrupació in 2012.
Cofidis Participations Group acquires Banif, a Portuguese company specializing in used car loans and Centax, an Italian company specializing in guaranteeing payments by check or card in the distribution sector.
Partnership with Bouygues enabling the group's operator, El Télécom, to be the only mobile virtual network operator to have signed three full MVNO 4G contracts (SFR, Orange and Bouygues).

2016 BFCM holds a 51.02% interest in TARGOBANK in Spain.
Sale of Banque Pasche to the Luxembourg bank Havilland.
BFCM acquires General Electric's leasing and factoring activities in France under the names "CM-CIC Leasing Solutions" and "Factofrance", and in Germany under the name "Targo Commercial Finance".

2017 BFCM acquires 16% of Cofidis Participations' capital, increasing its interest to 70.63%.
Creation of Lyf Pay from the merger of the electronic wallets backed by the Crédit Mutuel CM11 Group (Fivory) and BNP Paribas (Wa!).
BFCM acquires 48.98% of the capital in TARGOBANK in Spain from Banco Popular.
BFCM sells its entire stake (3.95%) in Banco Popular Español to Banco Santander.
Delisting of the CIC share in August after the company's takeover by BFCM and Mutuelle Investissement following a simplified tender offer.
Sale by CIC of the private banking activity in Asia to Groupe Crédit Agricole Indosuez Wealth Management.

2018 Merger-absorption, on January 1, of Nord Europe Assurances and its subsidiaries by Groupe des Assurances du Crédit Mutuel.

The change of name of Groupe Crédit Mutuel CM11 which becomes Crédit Mutuel Alliance Fédérale on November 9.

Crédit Mutuel Alliance Fédérale launches its strategic plan for 2019-2023, *ensemble#nouveaumonde* (together#today'sworld).

2019 Modification to the brand architecture of Crédit Mutuel Alliance Fédérale to increase the visibility of the two main networks, Crédit Mutuel and CIC, and the business lines.

2020 Crédit Mutuel Antilles-Guyane and Crédit Mutuel Massif Central join Crédit Mutuel Alliance Fédérale on January 1.

Launch of Crédit Mutuel Investment Managers, Crédit Mutuel Alliance Fédérale's asset management business center.

BFCM acquires 9.36% of Cofidis Participations' capital, increasing its interest to 80%.

Caisse Fédérale de Crédit Mutuel (CFCM) and CIC have set up a purpose: "Ensemble, écouter et agir" (Listening and acting together), and a status as a benefit corporation. The strategic plan becomes *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) in line with the *raison d'être* and missions previously adopted.

Merger of CIC Iberbanco with CIC.

Sale of 100% of the share capital of Euro-Information Télécom to Bouygues Télécom and implementation of a long-term distribution agreement for the distribution of Bouygues Télécom's fixed and mobile products and services.

2021 Creation of the Crédit Mutuel Alliance Fédérale Foundation, under the aegis of the Fondation de France, whose objective is to act for the environment and the regions by associating elected representatives, employees, networks and subsidiaries.

Signature of a strategic and industrial partnership agreement in the field of remote surveillance with BNP Paribas, consolidating EPS's position as the leader in the remote surveillance market in France and enabling BNP Paribas to propose EPS Homiris offers to its customers in France and Belgium.

2023 Creation of the societal dividend which will mobilize 15% of the net income each year to build a more sustainable and united world and launch of the Environmental and Solidarity Revolution Fund.

Acquisition projet by Cofidis of Magyar Cetelem Bank, a subsidiary of the BNPP PF group in Hungary in May.

Sale of GACM España on July 12.

Sale of TARGOBANK in Spain on October 6.

Acquisition in October by EPS of Staymatel, a French company specializing in the manufacture of electronic cards and products, and of Roulenloc, a car leasing marketplace, by Crédit Mutuel Leasing.

Crédit Mutuel Impact (formerly Crédit Mutuel Capital Privé), which manages the Environmental and Solidarity Revolution Fund, became a 99.9%-owned subsidiary of the La Française Group in May 2023.

Sale by CIC of the entities CM Asset Management and its subsidiary CM Gestion, CIC Private Debt and Cigogne Management to BFCM in the third quarter of 2023.

Launch, in December, of Crédit Mutuel Alliance Fédérale's 2024-2027 strategic plan TOGETHERNESS PERFORMANCE SOLIDARITY, which aims to strengthen its development ambitions to put its financial performance at the service of society.

2024 BFCM contributes the entities CM Asset Management and its subsidiary CM Gestion, CIC Private Debt and Cigogne Management to the La Française Group, which will thus become the holding company of this asset management division within Crédit Mutuel Alliance Fédérale. The merger of all the entities making up the new group will take effect on during 2024.

Launch of Cash Service in January 2024, a comprehensive offering of local banking services common to the four French banking brands (BNP Paribas, Société Générale, CIC and Crédit Mutuel Alliance Fédérale).

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France's leading association for integration through sport, **Sport dans la Ville** helps young people from disadvantaged neighborhoods on their path to success. As one of its partners, the Crédit Mutuel Alliance Fédérale Foundation supports the "*L dans la ville*" program for the emancipation and professional integration of young girls.

2

Crédit Mutuel Alliance Fédérale and BFCM business report

INTRODUCTION

The activity report covers both Crédit Mutuel Alliance Fédérale (point 2.2) and BFCM (points 2.3 and 2.4).

The activity report of Crédit Mutuel Alliance Fédérale – in which BFCM is integrated – provides a more complete economic view of the group's activities. It includes entities not included in the consolidation scope of BFCM alone such as the network of local banks, ACM Vie SAM (mutual insurance company), IT subsidiaries and the GIE CCS (Centre de Conseil et de Services).

The activity report of the BFCM perimeter is also presented to meet the publication requirements of the annual financial report.

2.1 ECONOMIC AND REGULATORY ENVIRONMENT IN 2023

2.1.1 Economic environment

2023: implementation of disinflation

The year 2023 saw the start of the long-awaited global disinflationary movement that would enable Western central banks to halt their cycle of rising key interest rates. Despite the persistence of sensitive geopolitical risks (continuing conflict in Ukraine, tensions in the Middle East and attacks in the Red Sea), commodity prices stabilized overall after a year of soaring prices in 2022. Disinflation got off to a slow start in the first half of the year, but then took hold on both sides of the Atlantic, enabling central banks to pause monetary policy at the end of the summer and keep key rates unchanged ever since. After reaching all-time highs since 2010, sovereign yields finally fell back sharply in the autumn as financial investors reassured themselves of Western central banks' ability to fight inflation effectively. This supported equity markets with a year-end rally of rare magnitude. However, the growth profile differed markedly between Europe and the United States. The Old Continent continued to suffer from slowing global demand, persistently high inflation and reduced fiscal support. It was also affected by the tightening of financial conditions by the European Central Bank (ECB), as well as by the fragility of German industry due to the energy crisis. In contrast, US growth proved more resilient, underpinned by fiscal support measures and household use of available savings. Finally, in China, the rebound in growth remained modest and disappointing, despite the fiscal and monetary support measures announced by the authorities.

In the **Eurozone**, persistent inflationary pressures worried financial investors and the ECB in the first part of the year. The resilience of core inflation - excluding energy and food - and wage rises forced the ECB to continue raising key rates, despite investor fears over US financial instability. Nevertheless, inflation accelerated in the second half of the year, falling from +8.6% year-on-year in January to +2.4% in November, and from +5.3% to +3.6% for the underlying rate. This was due to favorable base effects, the spread of restrictive financial conditions and the slowdown in producer prices. What's more, the Eurozone saw sluggish growth this year, with sequential growth of -0.1% in Q3-2023, and +0.1% in Q2 and Q1. This did not, however, prevent optimism from taking equity markets a notch higher, to +12% for the Stoxx Europe 600. The deterioration in economic indicators materialized more strongly in the second half of the year, notably in the PMI activity indexes, although some confidence indicators stopped deteriorating towards the end of the year. Against this backdrop, the ECB was able to leave its key rates unchanged since its October meeting, after ten consecutive 450bp hikes, bringing the deposit rate down to 4%. At the same time, the institution accelerated the reduction in the size of its balance sheet by not reinvesting securities acquired under the historic asset purchase program, and by repaying banks' long-term lending operations. European sovereign interest rates thus experienced a two-faced 2023. After a significant rise during the monetary tightening phase, they were finally able to begin their fall in the autumn following the ECB's pause, a move fueled by financial investors' expectations of further monetary easing in 2024. This ultimately benefited the narrowing of spreads between core and peripheral Eurozone countries. The euro appreciated against the dollar in 2023, ending up nearly +4% at €1 = $1.10. This parity was mainly due to the dollar's decline, caused by investors' integration of the end of Fed monetary tightening. At European level, the Member States finally agreed on a reform of budgetary rules. This reform maintains the public deficit threshold at 3% of GDP and the public debt threshold at 60% of GDP, while granting States greater flexibility to reduce their debt, notably through the introduction of an adjustment period that can be extended in the event of structural investments in the ecological transition, defense or digital technology. Finally, the year was punctuated by political events such as the far-right Eurosceptic party's lead in the Dutch parliamentary elections and the retention of the socialist P. Sánchez as Prime Minister in Spain.

In **France**, inflation continued to fall in 2023 to +3.7% year-on-year in December *vs.* +6% in January, in line with the rest of the Eurozone, but monetary tightening and the inflationary context affected activity. GDP contracted in the third quarter to -0.1% sequentially *versus* the previous quarter. Signs of a weakening French economy multiplied towards the end of the year, with PMI activity indexes still in contraction territory. During the first half of the year, the Fitch rating agency downgraded France's sovereign rating from AA to AA- due to reservations about the trajectory of public finances and the social context that followed the enactment of the pension reform. Finally, the government presented its Finance Bill for 2024, which forecasts a deficit of 4.4% of GDP in 2024 *vs.* an estimated 4.9% in 2023, which will require the issuance of €285 billion in medium- and long-term debt. For its part, the CAC 40 slightly outperformed its pan-European peer, with an increase of +16.5% over the year.

In the **United Kingdom**, while persistent inflation and tensions on the labor market necessitated further increases in key rates in the first half of the year, the disinflation observed thereafter enabled the Bank of England to begin a pause in its monetary tightening since the summer, keeping rates at 5.25%. However, the consequences of monetary policy weighed on economic growth, which remained sluggish in the third quarter at -0.1% quarter-on-quarter. The return of PMI indicators to expansionary territory towards the end of the year was driven by the rapid fall in inflation, linked in particular to the decline in energy prices. The government presented its autumn budget, in which it planned additional budget spending, and therefore higher-than-expected debt issuance, as well as a significant increase in the minimum wage, pensions and social benefits.

In the **United States**, persistent inflation, particularly in services and housing, also prompted the Fed to continue raising key rates until July, taking the fluctuation band to 5%-5.25%. However, the disinflationary trend materialized more rapidly than in the Eurozone. The PCE (Personal Consumption Expenditures) indicator fell from +5.5% in January to +2.6% in November, enabling the Fed to leave rates unchanged since the September meeting. At the same time, US growth continued to surprise on account of its resilience, with GDP rebounding at an annualized sequential rate of +4.9% in Q3, particularly in services driven by household demand. The labor market was also a supportive factor, normalizing only very gradually (increasing labor supply but still high job creation, low unemployment rate). This allowed only a gradual slowdown in wages, which were still close to +4% annualized at the end of the year. As in Europe, US sovereign yields rose sharply until the autumn, particularly for long-term maturities (with ten-year yields crossing the 5% threshold last October). From mid-October onwards, rates began to fall rapidly across the board, against a backdrop of financial investors' expectations of numerous Fed rate cuts in 2024, thanks to slowing inflation. Most visible on the real side (*i.e.*, excluding inflation expectations), this fall in rates propelled US equity indexes to new all-time highs, with the S&P 500 up 25%. This also contributed to the dollar's depreciation against major currencies towards the end of the year. The year was a turbulent one in the United States, due to: 1/ fears about the banking system following the failure of a number of regional banks in the first half of the year; and 2/ a significant rise in sovereign interest rates over the summer, partly in the wake of fears about the trajectory of US federal finances, which were at risk of default given the sharp divergences within Congress over budgetary decisions. An agreement to raise the debt ceiling and make budget cuts was finally reached. This led to a resumption of debt issuance on the market from June, but did not prevent Fitch from downgrading the US sovereign rating from AAA to AA+. Indeed, budget risks remained high in the second half of the year (no budget adopted as the fiscal year 2023 reporting date approached), necessitating the adoption of an interim budget until the end of January 2024 in order to avoid a shutdown (closure of non-essential government services).

In **China**, the combined weakness of inflation, which fell into negative territory, and growth, whose post-pandemic recovery disappointed on account of its scale, led the authorities to maintain their fiscal and monetary support in order to achieve the 5% growth target. However, structural weaknesses continued to weigh and limit the extent of the rebound, such as the crisis in the real estate sector and the very high level of public and private debt, not to mention the clear decline in Chinese indexes of -18% for the Hang Seng in 2023. Moreover, while geopolitical tensions with the United States increased in the first part of the year - with issues surrounding Taiwan and suspicions of espionage - the November meeting of leaders Xi Jinping and Joe Biden for the first time in a year marked a stabilization in bilateral relations. In the other **emerging countries**, falling inflation, particularly core inflation, enabled central banks to cut key rates this year, as **Brazil**'s central bank did this summer.

In **commodities**, the price of Brent crude rebounded to almost $95/barrel over the summer on the back of OPEC+ production cuts, resilient US demand and rising Chinese imports. At the end of the year, it fell back to around $78/barrel, in the wake of the economic slowdown and fears about the cartel's solidarity. Gas prices fell back to around €35/MWh for the European TTF reference at year-end, benefiting from subdued demand and diversification of supplies. Geopolitical tensions and climate risks nevertheless fueled volatility, particularly on certain food commodities, although the FAO Commodity Index fell overall in 2023.

2.1.2 Regulatory environment

The regulatory measures adopted by the various international and European authorities have a significant impact on Crédit Mutuel Alliance Fédérale. Compliance with these rules concerns all of Crédit Mutuel Alliance Fédérale's business lines, activities and geographic markets and requires the mobilization of significant human and material resources.

The events in 2023 have reminded us of the fundamental need for a regulatory framework, and illustrate the materialization of risks linked to the vulnerabilities of certain players in a high interest rate environment.

Indeed, the financial system came under considerable strain during 2023, in the wake of regional bank failures in the USA and Switzerland. In addition, certain structural risks remained high, notably the risk of cyber-attacks, which increased against a backdrop of high geopolitical tensions, requiring data protection and operational resilience. These geopolitical risks (a twelfth set of sanctions against Russia was requested by European governance at the end of 2023), economic uncertainty and tougher regulation create a challenging outlook for 2024.

The rise of artificial intelligence, moreover, is bringing about a far-reaching and controlled transformation involving investment in technology and digital infrastructure.

Credit risks

Against a backdrop of high inflation, slowing down in the final months of 2023 and driven by the normalization of monetary policies, the rise in interest rates in the Eurozone continued to be the major factor influencing credit risk in 2023.

According to the European Central Bank (ECB), lending criteria, *i.e.* banks' internal guidelines or loan approval criteria, for loans such as real estate or corporate credit lines, tightened further significantly in 2023. Loan demand, for its part, fell sharply, driven by rapidly rising interest rates, declining fixed investment and weakening real estate markets. The European Systemic Risk Board recommended that European and national authorities step up their vigilance with regard to the vulnerabilities of the real estate sector (commercial and residential) in the European Economic Area, in order to avoid any systemic economic and financial risk.

Directive no. 2023/2225/EU of October 18, 2023 on credit agreements for consumers and repealing Directive 2008/48/EC was published. It aims to ensure the proper functioning of credit markets, while guaranteeing a high level of consumer protection. The text provides for stricter rules in terms of consumer information and advertising in favor of online loans, as well as a more rigorous assessment of the solvency of creditors.

Market risks

The market tensions of recent months - notably energy markets, US regional bank failures and the Crédit Suisse takeover - show that localized vulnerabilities can quickly have widespread repercussions on financial asset prices, liquidity and volatility.

The ECB carried out an in-depth study of banks' governance and management of counterparty credit risk, encouraging them to go beyond regulatory requirements.

The European Banking Authority (EBA) also strengthened the assessment methodology used by the competent authorities to verify compliance with FRTB rules [1]. This new approach focuses on three central themes: governance, the internal risk measurement model (covering the expected shortfall and the measurement of risks linked to stress scenarios) and the internal default risk model.

Aimed at channeling long-term investment to help finance the ecological and digital transitions, European Long-Term Investment Funds (ELTIF) now have a less restrictive regulatory framework to support European projects, including for small and medium-sized enterprises. The European Parliament adopted the ELTIF 2.0 regulation, which came into force at the end of 2023.

The regulatory and prudential framework for securitization is also being revised to adapt to the imperatives of financing the economy, in particular the label on simple, transparent and standardized securitizations, and to sustainability requirements (Green Bonds Standard).

The European Commission would like to change the regulation amending Regulation (EU) 2016/1011 (the so-called benchmark regulation) with regard to the scope of the rules on benchmarks, particularly with regard to the use in the Union of benchmarks provided by an administrator located in a third country, such as the United Kingdom.

The main aim of the changes envisaged under the EMIR regulation (EMIR 3 under discussion) is to improve the attractiveness and resilience of the EU clearing system and reduce the exposure of EU entities to third-country CCPs.

Finally, according to the Financial Stability Board (FSB), around 14% of the world's financial assets are managed by non-bank financial intermediaries exposed to risks similar to those of banks. These players could face significant funding needs in the event of a market shock, through margin calls or repurchase requests. It is therefore essential to strengthen the regulatory framework applicable to them. The European Commission has adopted standards requiring credit institutions to declare their exposures to entities in the shadow banking system (capital requirements regulation). These standards define the criteria for identifying entities in the shadow banking system, thus guaranteeing the harmonization and comparability of exposures declared by credit institutions. These standards will also provide the supervisory authorities with solid data for assessing the risks of banks in relation to non-bank financial intermediaries.

Solvency risks

The finalization of the implementation of Basel III, as part of the banking package, through its ongoing regulatory transposition in Europe – CRR3 [2] and CRD6 [3], as well as the review of Solvency II – contribute to the strengthening of European financial stability, by adjusting the prudential requirements applicable to both credit institutions and insurance organizations.

In December 2022, the HCSF [4] decided to raise the rate of the credit protection reserve (countercyclical bank capital buffer) to 1.0%, with effect from January 2, 2024, and did not request a further increase in 2023.

EBA launched a new EU-wide stress test for 2023 to assess the resilience of the European banking sector in the currently volatile macroeconomic environment. The assumptions of the adverse scenario were more severe than for the previous stress tests. The results, published at the end of July 2023, were used to set the Pillar 2 requirements for banks.

Finally, at the end of December 2023, the ECB published the results of the Supervisory Review and Evaluation Process (SREP) it had carried out during the year. These results demonstrate the banks' solid solvency and liquidity positions.

IT and data risks

Banks must address vulnerabilities and risks arising from increased operational dependence on IT systems, third-party services and innovative technologies.

(1) FRTB: Fundamental Review of the Trading Book.
(2) CRR3: Capital Requirements Regulation.
(3) CRD6: Capital Requirements Directive.
(4) High Council for Financial Stability.

In 2023, the European Commission adopted several proposals to strengthen the EU's cybersecurity capabilities for effective operational cooperation, solidarity and resilience. These include a proposal for a cybersolidarity regulation and a targeted revision of the cybersecurity regulation. The new NIS2 directive [1], which aims to harmonize and strengthen cybersecurity in the European market, taken to replace Directive 2016/1148, will come into force in the second half of 2024.

Cyber threats, whose probability of occurrence is increased by the geopolitical crisis, are among the ECB's supervision priorities (stress test).

The Digital Operational Resilience Act regulation, applicable from early 2025, creates a regulatory framework for digital operational resilience under which financial entities will have to ensure that they can withstand, respond to and recover from any serious operational disruption related to information and communication technologies.

Regarding the regulation of digital assets, the European Parliament approved common rules to trace cryptoasset transfers, prevent potentially related money laundering and ensure customer protection under a regulation on cryptoasset markets (MiCA) [2]. In addition, the FSB and the International Monetary Fund published a report to provide a global policy and regulatory response to cryptoasset activities and address the macroeconomic and financial stability risks that these assets can generate. For its part, the Basel Committee on Banking Supervision (Group of Central Bank Governors and Heads of Banking Supervision) approved a finalized prudential standard on banks' exposure to cryptoassets as well as a work program and strategic priorities for 2023-24.

A regulatory review is also underway in France and Europe on disintermediated finance (DeFi [3]).

The Data Act regulation published in December 2023 (application September 2025) aims to boost the EU's data economy, optimizing its accessibility and use by all.

Finally, the European Single Access Point (ESAP) project provides a platform for the collection of financial and non-financial data by European companies. On December 20, 2023, the legislative package was published in the EU's Official Journal. The platform is due to be phased in gradually, with its essential parts operational between 2027 and 2030.

Risks on means of payment

The regulation on instant euro payments, designed to speed up their rollout by making them accessible to all individuals and businesses with a bank account in the EU or a European Economic Area country, is gathering pace and will be adopted at the very beginning of 2024.

In mid-2023, the European Commission presented a proposal to revise the current Payment Services Directive (PSD2, which will become PSD3) and a proposal for a Payment Services Regulation (PSR), with the aim of increasing the level of competition on the European payments market, improving the fight against fraud, strengthening users' rights and enhancing the competitiveness of Open Banking services (sharing of data collected by banking institutions on their customers with other companies).

Climate risks

Financial supervisors are paying increasing attention to assessing and monitoring the transition and physical risks associated with climate change.

The ECB has included these measures in its supervision priorities for 2023/2024. The European Securities and Markets Authority has announced the launch in 2024 of a Joint Supervisory Action (JSA) on the integration of sustainability into the processes and procedures for assessing the suitability and governance of financial products.

Another means of assessment is to conduct stress tests. For its part, the European Insurance and Occupational Pensions Authority conducted its first climate stress test. In addition, the European Commission mandated the three European supervisory agencies to conduct a stress test in 2023-2024 to assess the resilience of the financial sector in the medium term, in relation to the transition risk implied by the "fit-for-55" [4].

Another relevant means of assessment is the monitoring of financial institutions' exposure to physical and transition risks, which is being developed in particular through the implementation of a set of climate-related statistical indicators, aimed at measuring the carbon footprint of the financial sectors of Eurozone countries and their exposure to physical risks.

The CSRD (Corporate Sustainability Reporting Directive), transposed into French law in December 2023 aims to strengthen the quality and comparability of sustainability reporting. Effective from 2024 for large companies: it replaces the 2017 NFRD (Non Financial Reporting Directive) and includes the new obligations with which companies will have to comply in terms of reporting non-financial performance. The main aim of the CSRD is to harmonize sustainability reporting by companies (including banks) and improve the availability and quality of published ESG data. These developments will meet the information needs of financial players, who are themselves subject to ESG reporting obligations. The CSRD amends four existing European texts: the Accounting Directive, the Transparency Directive, the Audit Directive and the Audit Regulation.

In addition, the taxonomy requires companies to disclose the proportion of their activities aligned with the taxonomy's criteria from 2023, with the exception of financial companies, for which the disclosure deadline has been pushed back to 2024 [5].

(1) Network and Information Security - December 2022.

(2) Markets in Crypto-Assets.

(3) Decentralized or disintermediated finance (DeFi) refers to a set of services on cryptoassets, comparable to financial services and carried out without the intervention of an intermediary. Based on the principle of decentralization popularized by blockchain technologies, it has developed in the wake of innovations linked to cryptoassets, notably the widespread use of clause-executing automata (or smart contracts).

(4) Fit-For-55 refers to the EU objective of reducing net greenhouse gas emissions by at least 55% by 2030. The proposed legislative package aims to align EU legislation with the target set for 2030.

(5) The "taxonomy" regulation determines whether an economic activity is sustainable with regard to six objectives: climate change mitigation/climate change adaptation/ protection of water and marine resources/transition to a circular economy/pollution reduction/protection of biodiversity and ecosystems.

The International Sustainability Standards Board and the European Financial Reporting Advisory Group are working together to harmonize prudential sustainability reporting standards in order to provide investors with comparable and verifiable sustainability-related financial information and thus reduce the risk of greenwashing.

The European Green Bond (EuGB) regulation of November 22, 2023 also lays down uniform requirements for bond issuers wishing to use the "European Green Bond" designation. It is applicable in the Member States from December 21, 2024.

Compliance risks

Significant work on the marketing of financial instruments to individuals is currently underway at European level, and will have a major impact on the banking sector.

In May 2023, the European Commission adopted a package of measures on retail investment. It consists of an amending "Omnibus" directive known as the Retail Investment Strategy Directive, which revises the existing rules set out in the MiFID II Directive [1], the DDA Directive [2], the UCITS Directive, the AIFM Directive [3] and the Solvency II Directive [4], supplemented by an amending regulation revising the PRIIPs Regulation [5]. This legislative package provides for numerous measures to:

- improve the information provided to retail investors on investment products and services;
- make costs more transparent and comparable by requiring standardized presentation and terminology;
- protect retail investors from deceptive marketing practices;
- maintain high standards of professional qualification for financial advisors and;
- remedy potential conflicts of interest in the distribution of investment products, by prohibiting, among other things, retrocessions for sales made without the provision of any advice.

Finally, distributor compensation would be subject to stricter safeguards and greater transparency.

A proposal to reform EU rules on distance marketing of consumer financial services (digital marketplace and digital protection) is underway. The new rules would mean better protection for EU consumers against misleading online financial marketing practices.

Members of the European Parliament approved stricter rules to step up the fight against money laundering, terrorist financing and sanctions evasion in the EU. The legislative package comprises the Single EU Regulation, the Sixth Anti-Money Laundering Directive and the Regulation establishing the European Anti-Money Laundering Authority.

The crisis in Ukraine led the EU to adopt new restrictive measures against Russia as part of a twelfth sanctions package in December 2023.

To reinforce the effectiveness of these measures, the European Commission proposed a directive on the recovery and confiscation of assets (as part of the global fight against organized crime, corruption and money laundering) aimed at ensuring rapid and effective freezing operations throughout the EU, and faster compensation for victims.

Insurance risks

Several significant regulatory issues continue to evolve and be implemented:

- the technical implementing standards for the supervisory reporting of risk concentrations and intra-group transactions under the Financial Conglomerates Directive are now applicable. This text specifies the scope and frequency of reporting on major intra-group transactions and significant risk concentrations within financial conglomerates. It defines the reporting formats to be respected, and applies from 2023;
- the introduction of IFRS 17 (effective January 1, 2023) leads to significant changes in the valuation of insurance liabilities and insurance company results;
- the recast of the Solvency II Directive on the solvency requirements of insurance companies.

In addition, the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority) issued a new recommendation on the implementation of certain provisions of the Insurance Distribution Directive concerning the governance of insurance products, compensation, and the prevention and management of conflicts of interest.

Resolution risk

The European Commission proposed a new legislative package to adapt and strengthen the framework for banking crisis management and deposit insurance (CMDI).

The European Banking Authority published its final guidance on Overall Recovery Capacity (ORC) for recovery plans.

Lastly, the Single Resolution Board (SRB) issued operational guidelines on liquidity as part of a resolution aimed at improving banks' resolvency and their preparedness for possible resolution. In the event of resolution, liquidity is a key element in guaranteeing a bank's resolvency. Banks had to be in compliance by December 31, 2023.

Other regulatory issues are under discussion

- work on the future digital euro is progressing and is experiencing reluctance from regulators in some EU countries;
- a proposal for a regulation to establish the first-ever legal framework for Artificial Intelligence in Europe;

(1) Markets in Financial Instruments Directive (MiFID).

(2) The IDD (Insurance Distribution Directive) or DDA (Directive sur la Distribution d'Assurance).

(3) The Alternative Investment Fund Manager (AIFM) directive provides a regulatory framework for hedge fund managers in Europe.

(4) The Solvency II directive aims to modernize and harmonize the solvency rules applicable to insurance companies.

(5) The European PRIIPs (Packaged Retail Investment and Insurance-based Products) regulation aims to standardize pre-contractual information for packaged financial products (investment funds, derivatives, savings mode life insurance products, etc.) offered to non-professional investors.

- the creation of a standardized European duty of care (a law postponed by the Belgian presidency of the EU): Corporate Sustainability Due Diligence Directive (CSDDD or CS3D) obliging companies to be vigilant about the risks of human rights and environmental violations throughout the value chain;
- a regulation on ESG rating providers aimed at improving the reliability and transparency of ESG rating activities, notably through clear rules on preventing conflicts of interest.

2.2 ACTIVITIES AND RESULTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

2.2.1 Description of certain factors affecting the results and the financial position

Structure and sectors of activity

The results and the financial situation of Crédit Mutuel Alliance Fédérale reflect the significant weight of retail banking and insurance within its activities. Retail banking regularly accounts for more than two-thirds of the net revenue of Crédit Mutuel Alliance Fédérale's operating business lines (65% in 2023). Generally, corporate and investment banking, including proprietary trading, as well as asset management, private banking and private equity, represent a lower share of net revenue. In addition, customers in the insurance and private banking sectors are often retail banking customers; the group's banking networks market the group's insurance products, often in connection with the provision of another service by the retail bank or simply through contacts with the banking network. It strives to develop relationships with customers and offer them the maximum amount of services. Thus, the acquisition of customers by these sectors is a means of improving the retail bank's results through the payment of commissions to the distribution networks and cross-selling of products.

Administrative costs

Crédit Mutuel Alliance Fédérale pays particular attention to controlling its general operating expenses by seeking to industrialize, where possible, the processes used in retail banking, in order to achieve improvements in operational efficiency. Almost all Crédit Mutuel Alliance Fédérale entities use the same information system, generating significant efficiency savings. Furthermore, the retail banking staff are encouraged to promote all products and services of the group, rather than specializing by product type. As a result of the efforts made by Crédit Mutuel Alliance Fédérale and despite the unfavorable impacts of expenses related to tax and social regulations, the cost/income ratio stood at 57.1% and remains in line with the objectives of the 2019-2023 plan which was revised in 2020.

Cost of risk

The cost of Crédit Mutuel Alliance Fédérale's proven risk is relatively limited due to the nature of its economic model based on retail banking, its prudent approach in matters of risk-taking and the rigor adopted to manage and monitor risk. In particular, as Crédit Mutuel Alliance Fédérale's activities are mainly exercised in France, the provisions for country risk are of little significance. Crédit Mutuel Alliance Fédérale's cost of proven risk also reflects of the consumer credit activities of TARGOBANK in Germany and Cofidis, which have a greater cost of risk than that of the Crédit Mutuel and CIC's networks.

Capital structure

Due to the status of Crédit Mutuel Alliance Fédérale as a mutualist bank, its capital is held by the local banks, which are held by their members. The net income of Crédit Mutuel Alliance Fédérale is mainly booked to reserves, with the members receiving fixed compensation determined each year for their shares of category B (the "B shares").

The group encourages regular subscription to new shares through marketing campaigns. The shares represent a means of improving customer loyalty while constituting a regular source of new capital. However, as the group is not listed on the stock market, it cannot raise capital through public offerings. Information on the group's regulatory capital requirements is presented in chapter 5 "Risks and Capital adequacy – Pillar 3".

2.2.2 Activities and results of Crédit Mutuel Alliance Fédérale

2.2.2.1 Change in activity in 2023

Outstanding deposits increased by +5.3%, to €481 billion at the end of 2023, impacted by a sharp repricing of commercial liabilities. In fact, deposits reflected significant transfers from current accounts to interest-bearing accounts.

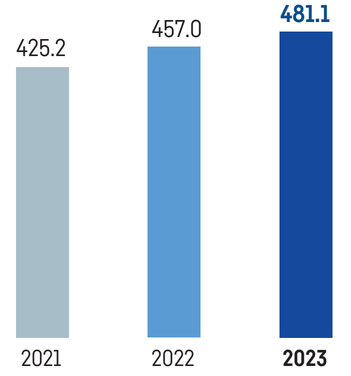
Following an increase in interest rates in 2023, inflows to Livret Bleu and Livret A passbook accounts were particularly strong, with outstandings rising +13.9%, to €54.2 billion, at the expense of current accounts (-13.8%).

Like the Crédit Mutuel and CIC banking networks, regulated savings [1] benefited from attractive interest rates, with positive growth of +7% to €124.5 billion. Negotiated deposits (term deposits and PEP) doubled year-on-year to €107 billion, compared with €52 billion at the end of 2022.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Current accounts	191.1	221.7	-13.8%	223.5
Livrets Bleu & A	54.2	47.6	+13.9%	39.9
Other passbook accounts	71.3	78.0	-8.6%	66.5
Mortgage savings agreements	37.7	42.0	-10.3%	39.2
Brokered deposits [1]	107.1	52.4	x2	48.5
Other	19.7	15.3	+29.0%	7.6
Customer deposits	**481.1**	**457.0**	**+5.3%**	**425.2**

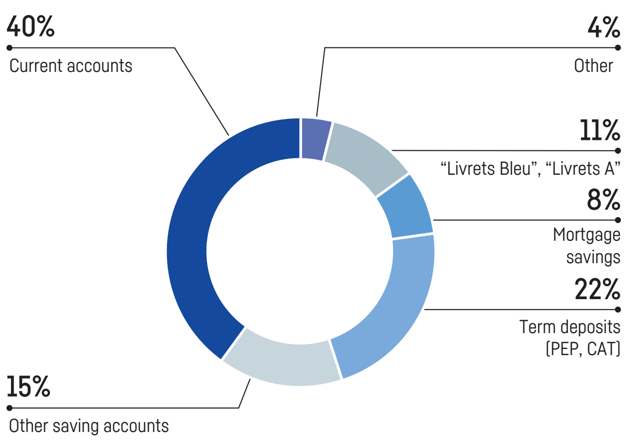
(1) Term deposits and Plan d'Épargne Populaire (PEP).

CUSTOMER DEPOSITS



Outstanding customer deposits at 12/31 in € billion

STRUCTURE OF DEPOSITS ON 12/31/2023



At the end of 2023, outstanding loans rose by €20 billion, to €522 billion, from €502 billion at the end of 2022, an increase of +4.0% year-on-year.

Despite a context of rising interest rates, the year 2023 shows a favorable trend in outstanding loans for the main loan categories:

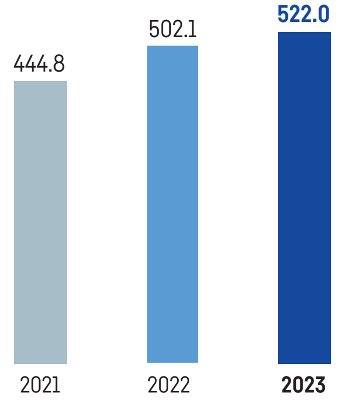
- outstanding home loans rose by +4.1%, to €264.9 billion;
- outstanding consumer credit rose by 6.9%, to €54.6 billion;
- +27.1% for other loans including equipment loans.

(1) Livret Bleu, Livret A, LDD, LEP, CEL, livret jeune passbook accounts, PEL (mortgage saving plans), PEP.

outstandings *(in € billions)*	12/31/2023	12/31/2022	Change	12/31/2021
Home loans	264.9	254.4	+4.1%	227.1
Consumer credit	54.6	51.0	+6.9%	44.2
Equipment and leasing	141.4	134.8	+4.9%	116.2
Operating loans [1]	51.7	54.5	-5.0%	51.5
Other	9.4	7.4	+27.1%	5.9
Customer loans	**522.0**	**502.1**	**+4.0%**	**444.8**

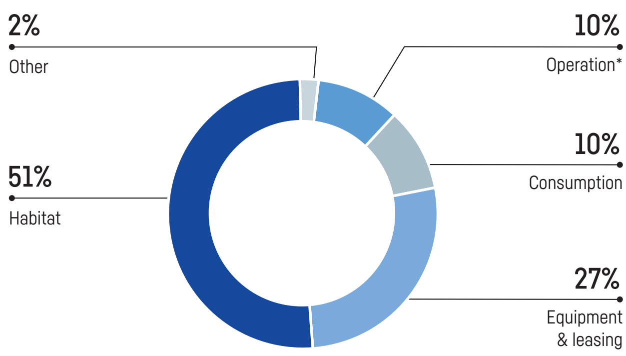
(1) Current accounts in debit and cash loans.

CUSTOMER LOANS



Outstanding loans to customers on 12/31 in € billions

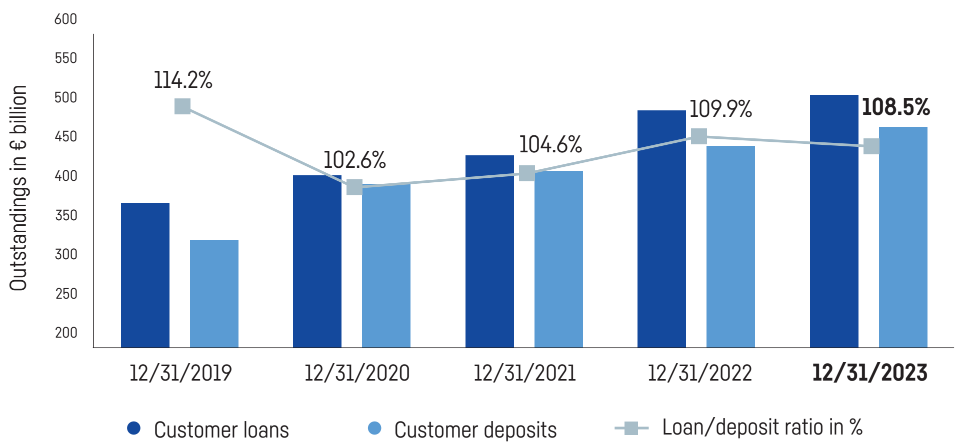
STRUCTURE OF LOANS ON 12/31/2023



** Current accounts receivable and cash credits.*

In 2023, growth in outstanding deposits outstripped that of outstanding loans (+5.3% *vs.* +4.0%), leading to a 1.4 point improvement in the loan-to-deposit ratio, which stood at 108.5% at end-December 2023.

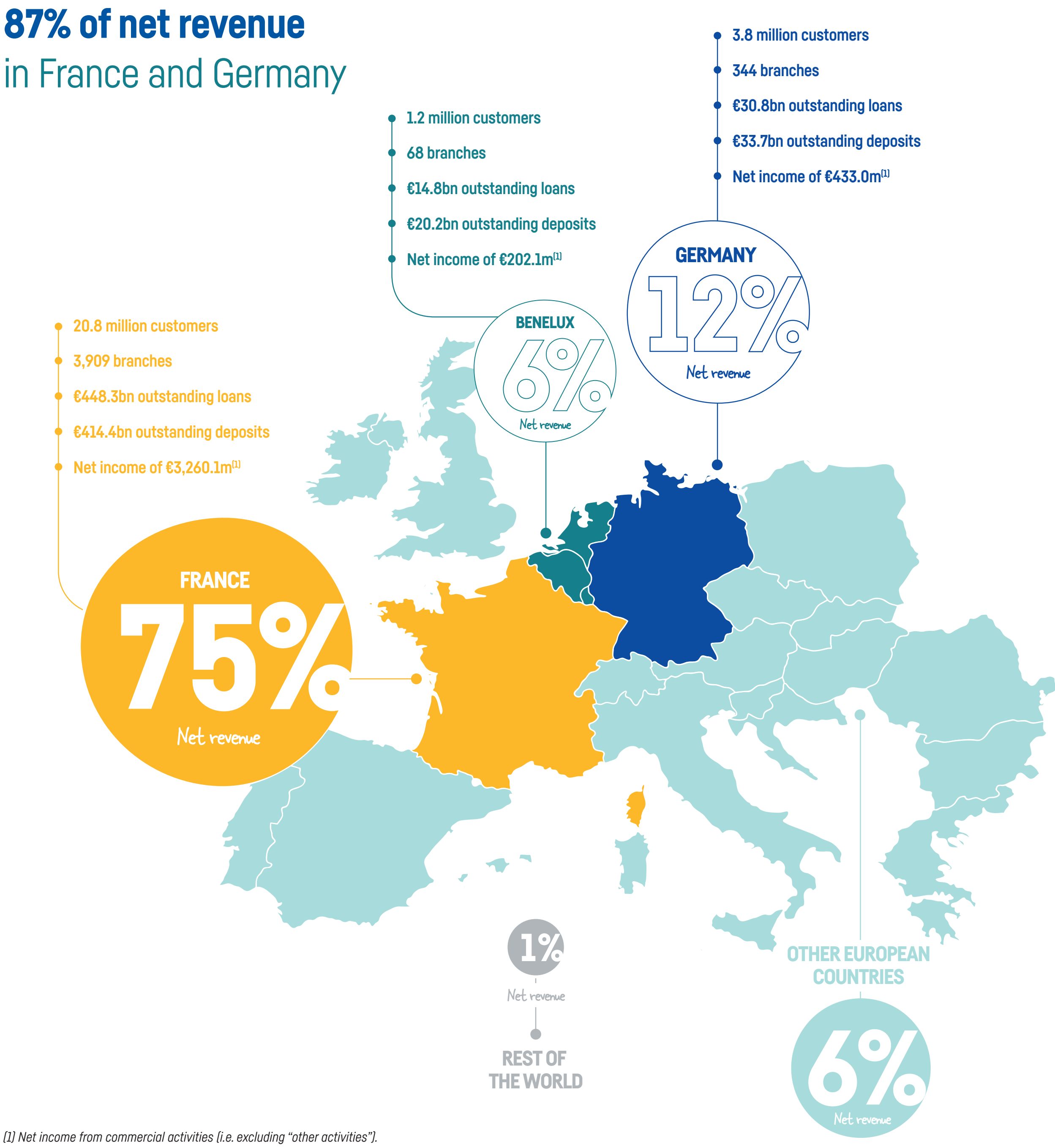
CHANGE IN LOAN-TO-DEPOSIT RATIO



2.2.2.2 Geographical breakdown of revenues

The group's activity in France represents more than three-quarters of the net revenue of the group's commercial business lines [1] (75% in 2023). Internationally, the group has significant activities in Germany and, to a lesser extent, in the Benelux countries. CIC also has international subsidiaries in London, Brussels, New York, Hong Kong and Singapore, and representative offices in several other countries. These international activities account for nearly a quarter (25%) of the net revenue of the group's commercial business lines.

GEOGRAPHICAL BREAKDOWN OF NET REVENUE AT 12/31/2023



(1) Net income from commercial activities (i.e. excluding "other activities").

(1) Excluding Holding company services.

Proportion of NBI	France	Abroad
12/31/2023	75%	25%
12/31/2022	77%	23%
12/31/2021	78%	22%
12/31/2020	75%	25%

2.2.2.3 Crédit Mutuel Alliance Fédérale results

(in € millions)	2023	2022 proforma	Change
Net revenue	**16,060**	**15,625**	**+2.8%**
General operating expenses	-9,173	-8,610	+6.5%
Gross operating income/(loss)	**6,887**	**7,015**	**-1.8%**
Cost of risk	-1,296	-768	+68.7%
cost of proven risk	*-1,477*	*-891*	*+65.8%*
cost of non-proven risk	*181*	*123*	*+47.4%*
Operating income	**5,591**	**6,247**	**-10.5%**
Net gains and losses on other assets and ECC[1]	71	-1,193	ns
Income before tax	**5,661**	**5,054**	**+12.0%**
Income tax	-1,546	-1,569	-1.4%
Net income	**4,115**	**3,485**	**+18.1%**
Non-controlling interests	174	170	+2.3%
GROUP NET INCOME	**3,942**	**3,315**	**+18.9%**

(1) ECC = Equity consolidated companies = share of net income of equity consolidated companies.

Net revenue

Against the backdrop of a changing interest-rate environment, Crédit Mutuel Alliance Fédérale's net revenue continued to grow, topping €16 billion, an increase of 2.8% compared with December 31, 2022. This trend was driven by the excellent resilience of retail banking, coupled with a good performance by the specialized business lines, particularly private banking, corporate banking and Capital Markets.

(in € millions)	2023	2022 proforma	Change
Retail bank	**12,273**	**12,074**	**+1.7%**
banking network	*8,440*	*8,474*	*-0.4%*
consumer credit	*3,131*	*2,960*	*+5.8%*
Insurance [1]	**1,188**	**1,206**	**-1.5%**
Specialized businesses	**2,724**	**2,361**	**+15.3%**
Asset management and private banking	1,285	1,119	+14.8%
Corporate banking	629	471	+33.7%
Capital Markets	465	342	+36.0%
Private equity	345	430	-19.8%
Other business lines [1]	**-125**	**-16**	**x 7.8**
TOTAL REVENUE CRÉDIT MUTUEL ALLIANCE FÉDÉRALE	**16,060**	**15,625**	**+2.8%**

(1) Including reclassification of general operating expenses relating to insurance contracts as expenses relating to insurance contracts classified as net revenue.

Once again, retail banking proved its effectiveness. Despite a decrease in volumes of new loans, rising cost of funds and usury rate constraints, **retail banking** revenues rose by 1.7%, to €12.3 billion. In 2023, the net interest margin improved thanks to higher credit income and effective management of interest rate risk. Fees and commissions were stable at €5.1 billion.

The banking networks maintained net revenue at €8.4 billion (-0.4%), driven by growth in the Crédit Mutuel banking network (+2.4%).

Consumer credit rose by 5.8%, particularly with TARGOBANK in Germany, which benefited from changing market conditions illustrated by a steady rise in loan yields, while Cofidis was more constrained by the usury rate in France.

Net **insurance** income fell slightly by 1.5% to €1.2 billion.

The contribution from **asset management and private banking** rose by 14.8%, to almost €1.3 billion at the end of 2023, of which almost €740 million came from private banking, reflecting sustained commercial activity, an increase in net interest margins coupled with higher stock market and management fees.

The good level of activity in corporate lending and project finance enabled **corporate banking** to post a sharp rise in net revenue (+33.7%) to €629 million.

Capital Markets benefited from market movements, with a net revenue rising +36%, to €465 millions, from €342 million at the end of December 2022.

Net revenue from **private equity** was solid at nearly €345 million, compared with €430 million in 2022 after two exceptional years.

The **other business lines** were impacted by IFRS 17 restatements related to Insurance carried by the banking network.

General operating expenses and gross operating income

In 2023, general operating expenses rose by 6.5%, to €9.2 billion, in line with development targets and in a context of inflation.

Employee benefits expenses (60% of general operating expenses) include the impact of salary increases decided at the beginning of 2023 (+4.5% of payroll expense).

The increase in other operating expenses reflects technological investments and the corporate philanthropy policy within the framework of the societal dividend (€68 million). Other operating expenses continued to be impacted in 2023 by contributions to the Single Resolution Fund (SRF), supervisory fees and contributions to the Deposit Guarantee Fund (DGF) amounting to €292 million in 2023 (*versus* €409 million in 2022).

The cost/income ratio reached 57.1%, compared to 55.1% in 2022 on the basis of comparable standards. It is thus in line with the objectives of the revised 2019-2023 strategic plan.

Gross operating income fell slightly (-1.8%) to €6.9 billion.

Cost of risk and operating income

The year 2023 was marked by an increase in the overall cost of risk (+68.7%) to €1.3 billion, which weighed on results:

- an increase in the cost of proven risk to 28 basis points (compared to 18 basis points at the end of 2022) for retail and consumer finance customers, as well as in corporate banking, due to a rise in defaults in the professional and business customer markets and the downgrading of market files. This downturn reflects deteriorating economic conditions;
- a net reversal of the cost of unproven risk of €181 million, compared with €123 million in 2022; with the discontinuation in 2022 of sector-specific provisions booked during the pandemic period, and the adjustment in 2023 of a management overlay relating to uncertainties linked to the current economic climate (change of IFRS9 model).

Overall, the cost of risk at December 31, 2023 was 24 basis points, and remains 28 basis points lower than in 2019 (compared with 17 basis points in 2022). The non-performing loan ratio increased to 2.8% compared to 2.6% in 2022. It remains below the pre-Covid level of 3.1%.

(in € millions)	12/31/2023	12/31/2022	12/31/2021
Gross loans	532,054	511,668	454,020
Gross non-performing loans	15,133	13,181	11,723
Provisions for impairment of receivables	10,103	9,571	9,195
of which provisions for impairments on non-performing loans (Stage 3)	*7,013*	*6,278*	*5,949*
of which provisions for impairments on performing loans (Stages 1 & 2)	*3,090*	*3,293*	*3,246*
Ratio of non-performing loans in gross loans	2.8%	2.6%	2.6%

Given this deterioration in the cost of risk, operating income fell by -10.5% over the year to €5.6 billion.

Other

In contrast to 2022, "Net gains and losses on other assets and ECC" did not contain any major adjustments and reached €71 million compared to -€1.2 billion a year earlier. As a reminder, the 2022 fiscal year included a -€958 million adjustment to the value of TARGOBANK in Germany's goodwill due to the increase in the discount rate, as well as additional provisions (-€270 million) relating to the sale of TARGOBANK in Spain to ABANCA.

Income before tax

Income before tax was up +12% year-on-year, to €5.7 billion in 2023, compared to €5.1 billion in 2022.

Net income

Against an unstable macroeconomic backdrop, net income rose by 18.1%, to €4.1 billion, exceeding the €3 billion target set by the 2019-2023 strategic plan revised in 2020. The group net income was €3.9 billion (+18.9%).

2.2.2.4 Crédit Mutuel Alliance Fédérale's results by business line

2.2.2.4.1 Retail banking and consumer finance in France and Europe

In 2022, retail banking represented 65% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	2023	2022 proforma	Change
Net revenue	**12,273**	**12,074**	**+1.7%**
General operating expenses	-7,836	-7,490	+4.6%
Gross operating income/(loss)	**4,437**	**4,584**	**-3.2%**
Cost of risk	-1,049	-752	+39.5%
cost of proven risk	*-1,200*	*-837*	*+43.4%*
cost of non-proven risk	*151*	*85*	*+77.8%*
Operating income	**3,388**	**3,831**	**-11.6%**
Net gains and losses on other assets and ECC[1]	5	12	-55.9%
Income before tax	**3,393**	**3,843**	**-11.7%**
Income tax	-965	-1,093	-11.7%
NET INCOME	**2,428**	**2,750**	**-11.7%**

(1) ECC = Equity consolidated companies = share of net income of equity consolidated companies.

The retail banking segment comprises three business lines:

- *the branch banking network, comprising the Crédit Mutuel local banks of the 14 federations, the CIC branch network, Banque Européenne du Crédit Mutuel and Beobank;*
- *consumer finance, comprising Cofidis Group and TARGOBANK Germany;*
- *specialized business line subsidiaries whose products are marketed by the branch networks: equipment leasing and rental with purchase option, real estate leasing, factoring, real estate sales and management.*

Bank networks

At the end of December 2023, the local banking and insurance network, the mainstay of Crédit Mutuel Alliance Fédérale's business, demonstrated its solidity with an increase in net revenue to €4.2 billion and net income to €784 million.

The strong growth in net revenue (+3.7%) was driven by higher margins and commissions.

General operating expenses increased by +3.2% to €3.1 billion.

In 2023, the cost of risk improved, with a net allocation of €31 million compared with a net allocation of €36 million at the end of 2022, and income before tax reached €1.1 billion (+5.2%).

Net income rose to €784 million.

Business activity: Crédit Mutuel local banks

At the end of December 2023, the number of customers in the Crédit Mutuel banking and insurance network stood at 8.8 million, a +1.3% rise (+112,000). Retail customers, representing 86% of the total number of customers, increased by nearly +1%. Growth was stronger in the corporate and business customer markets, with +4.8% (+32,000 customers) and +7.2% (+4,100 customers) respectively.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Current accounts	55.5	62.2	-10.9%	54.9
Livrets Bleu and A passbook accounts	38.7	34.6	+12.1%	28.5
Other passbook accounts	37.2	37.5	-0.8%	30.8
Mortgage savings agreements	26.5	29.6	-10.5%	26.8
Brokered deposits [1]	24.9	10.9	x2.2	11.5
Other	0.6	0.1	ns	0.1
Customer deposits	**183.5**	**174.9**	**+4.9%**	**152.6**

(1) PEP & term deposits.

Deposits entrusted by local bank customers totaled €183.5 billion at the end of 2023, up +4.9% year-on-year.

The year 2023 was characterized by a change in the structure of deposits, with significant transfers from current accounts to interest-bearing accounts.

At the end of December 2023, regulated savings [1] reached €87 billion (+5.6%).

Inflows were particularly high on Livret Bleu and Livret A passbook accounts, whose outstandings increased by +12.1% year-on-year to nearly €39 billion. The instability of financial markets has led customers to turn to products that are both liquid and secure. Regulated savings

(1) Livret Bleu, Livret A, LDD, LEP, CEL, livret jeune passbook accounts, PEL (mortgage saving plans), PEP.

continued to benefit from favorable conditions in 2023: interest rates on Livret Bleu and Livret A passbook accounts, as well as Livret de Développement Durable et Solidaire (LLDS) - Sustainable and Responsible Development passbook accounts, rose from 2% in January to 3% as of February.

In addition, the attractive interest rates offered, which also benefited term deposits and popular savings passbook accounts, meant that negotiated deposits increased by €14 billion, reaching almost €25 billion at the end of 2023.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Home loans	144.2	139.2	+3.6%	124.0
Consumer credit	8.9	8.5	+4.7%	7.0
Equipment & leasing	27.6	26.8	+3.1%	22.2
Operating loans [1]	3.7	4.5	-17.2%	4.6
Other	1.1	0.8	+33.2%	0.5
Customer loans	**185.6**	**179.8**	**+3.2%**	**158.4**

(1) Current accounts in debit & cash flow loans

Outstanding loans continued to grow (+3.2%), reaching €185.6 billion at the end of 2023. This increase was driven by outstanding home loans at €144.2 billion (+3.6%), coupled with the stabilization of outstanding consumer loans at nearly €9 billion and equipment loans at around €28 billion. Credit releases fell by 19% to €32.2 billion from €39.9 billion the previous year.

The multiservice strategy is reflected in increasing customer equipment levels:

- the number of property & casualty and personal insurance contracts (excluding life and credit insurance) reached €13.2 million, up +3.1% year-on-year;
- the number of mobile phone contracts was 845,000, a +1.6% increase year-on-year;
- the number of remote home surveillance subscriptions rose sharply (+6.6%), exceeding 226,500 contracts at the end of 2023.

In 2023, the banking and insurance network of the Crédit Mutuel local banks generated net revenue of €3.9 billion (+2.8%), supported by growth in the net interest margin (up 5.6%) and a good level of commission income (+1.8%).

General operating expenses were under control at €2.8 billion (+2.9%).

Overall, the cost of risk fell to €17 million, including an increase in the cost of proven risk (+€50 million), which was more than offset by a favorable trend in the cost of non-proven risk (+€59 million).

The activity of the Crédit Mutuel local banks posted net income of €725 million, compared to €698 million at the end of December 2022.

Business activity: Beobank

Beobank offers banking and insurance products in Belgium. Throughout the fiscal year, business remained under control: customer satisfaction was maintained, production increased, and risks and financial results were effectively managed. The quality of the loan and investment portfolio remains very good. Outstanding loans thus stood at €8.7 billion at the end of 2023, up +9.3%, including consumer credit (+2.7%), mortgage loans (+12.2%) and loans to professionals (+10.2%). The property & casualty insurance portfolio grew by +23%. At the same time, outstanding deposits amounted to €7.5 billion (+7.3%) at the end of 2023.

Beobank's income amounted to €59.1 million. The income before tax of €63.0 million was 60% higher than in the same period last year. The net revenue increased mainly due to the combined effects of growth in mortgage and consumer credit volumes, improved yields on the consumer credit, mortgage and credit card portfolios, and the favorable trend in hedging swaps, while the rise in interest rates was passed on later in Belgium.

Operating expenses were also up, weighed down by inflation, which is passed on directly to salaries in Belgium *via* an indexation mechanism, and by the recognition of a provision for time credit. The cost of risk rose, but remained under control. The cost/income ratio was lower compared to 2022 (75.4% for 2023).

Banque Européenne du Crédit Mutuel (BECM)

BECM is the Crédit Mutuel Alliance Fédérale subsidiary that serves regional economies and the market for business and real estate companies. Drawing on the expertise of its employees and all the services of Crédit Mutuel Alliance Fédérale's business centers, BECM serves 20,561 customers. The sales network, which consists of 45 branches, is organized on a market basis, with 31 branches serving the general business market and 14 serving the real estate market.

In 2023, BECM adapted its organization by pooling resources in flow management to improve customer service quality.

Investment loan production in 2023 represented €1.6 billion for companies and €1.2 billion for real estate companies and real estate investors. Short-term loan agreements for real estate professionals reached €1.8 billion.

Customer loans rose by +3.5% to €18.7 billion at the end of 2023. Accounting resources increased by 25.8% to €12.8 billion.

Net revenue fell by -13.3% to €306.4 million and net income was €152 million, down 17.1% compared with 2022.

CIC banking and insurance

The number of customers in the banking network stood at 5.6 million at the end of December 2023, up +1.5% year-on-year, representing an increase of more than 83,000 customers. In the professional and corporate market, with a total of nearly one million customers, growth was higher at +3.3%. The trend in retail customers was more moderate, at 1.2% representing nearly 80% of the portfolio.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Current accounts	78,0	94.2	-18.8%	101.7
Livret A passbook accounts	15.1	12.8	+18.6%	11.2
Other passbook accounts	26.1	30.1	-9.1%	28.4
Mortgage savings agreements	11.1	12.3	-9.8%	12.4
Brokered deposits [1]	43.8	18.6	x2.3	12.7
Other	2.1	0.2	ns	0.1
Customer deposits	**176.2**	**168.2**	**+4.5%**	**166.4**

(1) PEP & term deposits.

Outstanding deposits amounted to €176.2 billion at the end of December 2023, up by 4.5%.

The nature of deposits changed in 2023 with an increase in negotiated deposits.

Regulated savings reached €37 billion (x4.4) at December 31, 2023, compared with €8 billion at the end of 2022.

Outflows from current accounts (-19%) were transferred to Livret A passbook accounts, where outstandings rose by +18.6% to over €15 billion. In addition, the attractive interest rates helped to boost the development of term deposits and popular savings passbook accounts. The growth in negotiated deposits from €25.2 billion to almost €44 billion at the end of 2023 illustrates this trend.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Home loans	104.6	100.1	+6.0%	91.4
Consumer credit	6.4	6.1	+3.4%	6.0
Equipment & leasing	52.5	50.0	+1.7%	45.1
Operating loans [1]	14.6	17.0	-30.9%	15.8
Other	2.5	1.8	ns	10.7
Customer loans	**180.5**	**174.9**	**+1.4%**	**169.0**

(1) Current accounts in debit & cash flow loans.

Outstanding loans reached €180.5 billion, up 1.4% at end-December 2023, *versus* €174.9 billion in 2022. Overall, the CIC network generated €42.2 billion in new loans, down -17% from €50.9 billion a year earlier.

Growth in outstanding loans remained strong in 2023 in all the main loan categories:

- +6.0% for outstanding home loans, to €104.6 billion; for the year as a whole, the amount of cumulative releases fell by 22.4%, to €15.4 billion, affected by interest rate constraints and the postponement of customer projects;
- +1.7% for outstanding investment loans, to €52.5 billion; demand for project support from professional customers remained strong with releases of €14.2 billion (-19%);
- outstanding consumer credits rose by +3.4% to €6.4 billion.

The multiservice strategy boosted customer equipment levels:

- property & casualty and personal insurance contracts (excluding life and borrower insurance) reached 6.6 million, up +3.8% year-on-year;
- mobile telephone contracts rose slightly year-on-year to 556,000;
- the number of remote home surveillance subscriptions rose by +5.1% to more than 123,000 contracts.

Growth in commissions (+3.3%) did not rule out a decline in net revenue (-3.5%), to €3.8 billion.

General operating expenses rose by +6.8% to €2.5 billion.

The cost/income ratio reached 64.3% with gross operating income of €1.4 billion compared to €1.7 billion at the end of 2022.

The cost of risk deteriorated, with a net charge of- €235 million compared with a net reversal of +€74 million in 2022. Income before tax amounted to €1.1 billion.

Net income therefore fell slightly by 35.4% to €822 million in 2023.

Consumer finance

Cofidis Group

Cofidis Group operates under three brand names: Cofidis, Créatis and Monabanq. An expert in consumer finance, it offers its services in nine European countries: France, Belgium, Spain, Italy, Portugal, Czech Republic, Hungary, Slovakia and Poland.

Cofidis Group had a very good year, with production of almost €10 billion and financing exceeding budget forecasts. Financing distributed *via* the direct recruitment channel was deliberately reduced, with a concomitant drop in marketing investments, in order to adapt risk targets to the current context of falling margins. This decrease in the direct recruitment channel was concentrated on personal loans and buybacks. Revolving credit, on the other hand, rose, as this product retains higher margins. Financing distributed *via* partnerships continued to grow: financing ncreased by 10% compared to 2022. Cofidis Group chose to continue supporting its partners in order to maintain its market share.

Outstanding gross loans rose by +8% compared to the end of 2022, to €19.7 billion.

Monabanq's online banking business continued to grow at a steady pace, with 80,000 new current and savings accounts opened, representing an increase of 16% compared to 2022. Deposits and financial savings increased by +19% to exceed €1.1 billion.

The 2023 fiscal year continued to be marked by the rise in refinancing rates, which severely penalized net revenue, with an additional interest expense of €276 million compared to 2022.

Interest income rose sharply, thanks to sustained commercial activity and an increase in customer pricing. Interest income rose by €212 million compared with 2022, of which €128 million relate to the increase in outstandings and €84 million to the rise in pricing.

In addition, commissions rose significantly (€38 million) thanks to the dynamic commercial activity on partnerships, driven mainly by Cofidis Italy (€24 million), Cofidis France (€6 million) and the development of the Monabanq banking business (€3 million). This dynamic performance limited the decline in net revenue to €19 million year-on-year.

General operating expenses were significantly lower than in 2022 (-€13 million), due to the lower level of sales investments resulting from the voluntary slowdown in commercial activity, in view of the unfavorable interest rate environment. However, despite the absence of push marketing, the market remained very active and the exit of certain competitors from the market was profitable.

On the other hand, employee benefits expenses rose by +6% to keep pace with employees' purchasing power. The increase in headcount was limited to +1% and was concentrated in developing entities (Monabanq, Cofidis Italy and Central Europe).

The cost of risk remained under control, at 2.2% as a percentage of outstandings, the same level as in 2022. Given the intrinsic improvement in Cofidis Group's risk since the health crisis, the cost of risk includes the positive impact of updated provisioning rates, particularly on the provisioning of performing loans. Defaults increased at the end of 2023 and recovery performance deteriorated slightly. However, these two indicators remained at significantly better levels than before the health crisis.

Income before tax held up well at €146.7 million, €41 million lower than in 2022. This represents a good performance given the very sharp decline in the net interest margin. The margin should gradually recover with the steady rise in customer rates, and the subsequent stabilization and decline in financial expenses.

Net income came to €103 million, down -20% on the previous year.

TARGOBANK in Germany

Established in over 250 German cities, TARGOBANK meets the needs of 3.8 million retail customers and businesses offering solutions in everyday banking, consumer finance, investments, insurance, factoring and leasing. Since 2022, the offering has also included corporate financing, special financing, commercial real estate financing and payment services.

The production of personal amortising loans amounted to €5.8 billion in 2023, slightly lower than the 2022 fiscal year.

In the retail segment, outstanding loans grew by +9.7% to €21.6 billion, while customer deposit volumes reached €29.2 billion.

The contribution of the retail activity (classified in the "consumer credit" sector) to net income was €379 million, 28.9% higher than the previous year. This increase is mainly due to the growth in the loan portfolio and the rise in interest rates, which the bank was able to pass on to the assets side of the balance sheet, while keeping the cost of its resources under control.

Corporate activities (classified in the "banking network" and "business line subsidiaries" sectors) recorded an increase in investment loans and leasing, while factoring production was down on fiscal year 2022.

In 2023, income before tax amounted to €671 million, a +26% increasecompared to the previous fiscal year.

Business line subsidiaries

Within retail banking, the support businesses - leasing, factoring and real estate - generated a net revenue of €703 million, sharply higher (+9.9%), after payment of commissions to business referral networks, and a net income of €167 million (compared to €128 million in 2022).

Factoring and receivables in France

Crédit Mutuel Alliance Fédérale’s factoring sector, dedicated to companies and professionals, consists of two entities in France: Crédit Mutuel Factoring and Factofrance. Crédit Mutuel Factoring, the Group’s long-standing business center, markets its solutions through the Crédit Mutuel and CIC networks. Factofrance distributes its products directly through dedicated sales representatives and providers such as credit insurance brokers, accountants, etc. In Germany, factoring activities are carried out by TARGOBANK under the TARGO Factoring and TARGO Factoring & Equipment Finance brands.

The volume of receivables purchased by Crédit Mutuel Factoring and Factofrance reached a record level of €103.4 billion in 2023 (+5.0%) for more than 14,300 customers. International business accounted for approximately 32.3% of overall revenue. At the balance sheet date, factoring outstandings amounted to €14.2 billion, up +5.4%.

Net revenue rose by +24.1% year-on-year to €436 million, thanks to the increase in outstandings financed and the growth in the average financing commission rate, impacted by the rise in refinancing rates. General operating expenses remain under control. The cost of risk increased while remaining at a very low level and well below budget.

In total, the sector’s contribution to net income is €153 million, a significant increase (+56%).

Equipment and real estate leasing

Crédit Mutuel Leasing and CCLS (Leasing Solutions)

Crédit Mutuel Alliance Fédérale's leasing sector is a major player in equipment leasing finance, with a market share of over 15.2% [1] in France, including 18.9% for leasing and financial rental products. For over 60 years, the company has specialized in the financing of capital goods through leasing and rental.

The sector distributes its products through various distribution channels. Within the banking networks, sales are handled by Crédit Mutuel Leasing. Lease financing offers are distributed under the Crédit Mutuel Leasing brand within the Crédit Mutuel network and under the CIC Leasing brand within the CIC network. Internationally, the entity finances investments by French companies with local subsidiaries or parent companies. It also meets the needs of foreign companies that have entities or their parent company in France.

(1) Source: ASF at the end of Q3 2023.

The leasing sector also has a dedicated sales force and distributes its offers through its own network of agencies and partners. Historically handled by the CCLS and Bail Actea entities, direct marketing will be carried out exclusively by the CCLS brand as of January 2024, following the merger of the two structures' sales networks.

In 2023, production across the entire scope rose by +6%, exceeding €7 billion. As a result, the sector's outstandings were up and stood at €15.4 billion. With more than €909 million, international production represented 13% of the sector's total production.

Net revenue from real estate leasing in France (after payment of commissions to the group's networks) fell by -25%, to almost €136 million. Net income was negative, at -€34.6 million.

Crédit Mutuel Real Estate Lease

Crédit Mutuel Real Estate Lease is a major player in the French real estate leasing market. It meets the real estate investment needs of Crédit Mutuel Alliance Fédérale customers. It covers companies, professionals, social economy players and institutions. Crédit Mutuel Real Estate Lease offers adapted financing for the acquisition or construction of commercial buildings. Projects may involve commercial, logistics or industrial premises, as well as healthcare facilities, offices or hotels. Its financing is distributed under the Crédit Mutuel Real Estate Lease brand in the Crédit Mutuel local banks and under the CIC Real Estate Lease brand in CIC branches.

In 2023, Crédit Mutuel Real Estate Lease continued to expand, signing almost 200 new contracts for a total value of over €832 million. Total outstandings grew by nearly 2%, to €6.4 billion. With this level of production, Crédit Mutuel Real Estate Lease is one of the leading real estate lessors in France.

2

2.2.2.4.2 Insurance

In 2023, insurance represented 6% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines. The table below details the elements making up the net income of the Insurance business line for the 2023 and 2022 proforma fiscal years.

(in € millions)	2023	2022 proforma	Change
Net revenue	**1,188**	**1,206**	**-1.5%**
General operating expenses	-129	-113	+14.5%
Gross operating income/(loss)	**1,059**	**1,093**	**-3.1%**
Net gains and losses on other assets and ECC[1]	-5	-13	+62.6%
Income before tax	**1,054**	**1,080**	**-2.4%**
Income tax	-232	-266	-12.7%
NET INCOME	**822**	**814**	**+0.9%**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Groupe des Assurances du Crédit Mutuel (GACM), the insurance subsidiary of Crédit Mutuel Alliance Fédérale, is at the heart of the banking and insurance model. It benefits from the synergies inherent in the mutualist banking and insurance model: the strength of local networks and technological integration. The group's insurance business protects the network's members through offers based on broad risk pooling and useful, supportive and differentiating services.

GACM's written premiums amounted to €13.9 billion, an increase of 5.2% compared to 2022. On a like-for-like basis, excluding GACM España which was sold on July 12, 2023 [1], revenue growth was even 6.6%. At the end of 2023, portfolios totaled 37 million contracts, an increase of 3.2% over the year.

In France, gross savings & retirement premiums amounted to €7.4 billion, a +6.2% increase compared to 2022, driven by strong growth in payments into euro funds (+20.4%). The proportion of new premiums invested in unit-linked products fell, but remained high (29% *vs.* 37% in 2022). Against a backdrop of rising rates of return on regulated savings, net premiums were positive at €1.6 billion (stable compared to 2022) on both euro funds (+€0.8 billion) and unit-linked products (+€0.8 billion). Thanks to its financial solidity and substantial reserves, GACM increased the average rate paid on the euro funds of its life insurance and individual retirement contracts by 0.50 points to 2.80% in 2023, including the compensation bonus. The ratio of the provision for profit-sharing (PPE) to euro-denominated life insurance reserves stood at 6.9% (*versus* 7.8% in 2022), following a 0.9 point recovery to improve returns for policyholders.

GACM companies' P&C and protection insurance written premiums amounted to €6.4 billion. In retail, in France, personal insurance increased by 5.1% (including +5.7% in health, +5.1% in protection and +4.8% in borrower insurance [2]),and property & casualty insurance by 5.6% (of which +4.9% in motor and +6.3% in home insurance), increases driven by sustained growth in contract portfolios.

Written premiums, generated by GACM subsidiaries in Belgium amounted to €201 million, up 4.6% on 2022.

(1) On July 12, 2023, GACM sold all of GACM España's capital to Axa Seguros Generales, S.A. de Seguros y Reaseguros. The revenue generated by GACM España in the first half of the year, amounting to €193 million, remains with GACM.

(2) Proforma for the transfer of the Cofidis Espagne portfolios to ACM VIE SA and ACM IARD SA by GACM España as part of the sale.

Commissions rose by +2.6% to €2.0 billion, of which €1.7 billion for the Crédit Mutuel Alliance Fédérale networks.

GACM's contribution to net revenue [1], measured in accordance with IFRS 9 and 17, amounted to €1,188 million, a slight decline of -1.5% compared with 2022 proforma. In property & casualty insurance, the high sectoral inflation of recent years began with a sharp rise in repair and reconstruction costs. Furthermore, after 2022, 2023 was the second most costly year for GACM in terms of natural disaster expenses, with a claims expense of €338 million (€469 million in 2022) generated mainly by storm Ciaran, flooding in northern France and drought events. At December 31, 2023, GACM's combined ratio for property & casualty insurance [2] stood at 102.1%, compared to 5.2% at the end of 2022. The impact on net revenue of the downturn in property & casualty insurance was mitigated by higher income from personal and life insurance.

Financial income rose in a financial environment that was more favorable than in 2022, with rising equity markets and a slight easing in interest rates.

GACM's contributory net income in 2023 was therefore €822 million, a slight increase of 0.9% on the proforma 2022 net income under IFRS 17/ IFRS 9 (€814 million), which is close to the 2022 contributory net income published under IFRS 4/IAS 39 (€832 million).

At the end of 2023, GACM's shareholders' equity totaled €11.1 billion, an increase of €0.3 billion compared to 2022. In addition to the €498 million in dividends distributed for 2022, GACM paid an extraordinary dividend of €620 million to its shareholders on December 20, 2023.

In the face of many current and future challenges, GACM's aim is to continue offering insurance solutions to as many people as possible, while at the same time making it easier for policyholders to do business, thanks to digital functionalities and innovative services.

2.2.2.4.3 Asset management and private banking

In 2023, asset management and private banking represented 7% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	2023	2022[1]	Change
Net revenue	**1,285**	**1,119**	**+14.8%**
General operating expenses	-862	-794	+8.6%
Gross operating income/(loss)	**423**	**326**	**+30.0%**
Cost of risk	-75	-33	x 2.2
Operating income	**348**	**293**	**+18.9%**
Net gains and losses on other assets and ECC[1]	2	15	-86.5%
Income before tax	**350**	**307**	**+13.9%**
Income tax	-88	-67	+32.2%
NET INCOME	**262**	**241**	**+8.8%**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Crédit Mutuel Alliance Fédérale's asset management and private banking business line encompasses:

- *five asset management entities (Crédit Mutuel Asset Management, Crédit Mutuel Gestion, Crédit Mutuel Épargne Salariale, CIC Private Debt and Cigogne Management) and the Crédit Mutuel Investment Managers distribution platform;*
- *La Française Group, comprising five asset management companies and a distribution platform;*
- *Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).*

Asset management and private banking posted net revenue of almost €1.3 billion, or 7% of the net revenue of Crédit Mutuel Alliance Fédérale's operating business lines, an increase of almost +15%. This increase underscores the sustained commercial activity in private banking following the rise in interest rates, which is helping to boost the net interest margin.

General operating expenses were up by +8.6%.

In 2022, "Net gains and losses on other assets and ECC" comprised non-recurring income related to the first-time consolidation of Crédit Mutuel Investment Managers and CIC Private Debt.

Net income rose by 8.8% to €262 million in 2023, compared with €241 million in 2022.

This data does not include Private Banking carried out through CIC's network and its five regional banks, *i.e.* net revenue of €212 million (-10%) and net income of €87 million (-18%).

Asset Management [3]

Crédit Mutuel Alliance Fédérale aims to become a major player in asset management in France and Europe, committed and responsible, by creating an asset management division grouping together all third-party management structures within a multi-specialist model.

This ambitious project, on which all teams have been working since September 2022, will give rise to a major asset management player in France by the end of the first quarter of 2024.

Crédit Mutuel Alliance Fédérale will be supported by the group's 12 asset management companies, and by a single distribution platform comprising Crédit Mutuel Investment Managers and La Française Finance Services, a La Française Group entity owned 60% by BFCM and 40% by the Crédit Mutuel Nord Europe regional bank since January 1, 2024. It will be present in various locations in Europe and Asia.

(1) Under IFRS 17, net revenue includes insurance contracts attributable costs, i.e. the vast majority of expenses. Only unrelated expenses are now included in general operating expenses.

(2) Under IFRS 17, net of reinsurance.

(3) The earnings figures quoted in this section correspond to the parent company results of the entities and not their results contributing to the Crédit Mutuel Alliance Fédérale consolidation.

Thanks to the expertise of these various asset management companies, a wide range of products and services is offered to a diversified French and international clientele: institutional investors, major corporations, external distributors - third-party distribution networks, private banks, fund selectors, independent asset managers, etc. The asset management entities also support the networks in all the group's markets, including those outside France.

Activity over 2023 was conducted against a complex backdrop marked by a persistently tense geopolitical situation impacting economic and financial trajectories, with the corollaries of inflation set to continue falling, restrictive interest rates, contrasting economic growth prospects and the urgency of the energy and climate transition. In this context, decisions on whether or not to continue monetary tightening will depend on the level of inflation on both sides of the Atlantic. In the real estate sector, inflows slowed for retail investors and were significantly lower for institutional investors, who took a very wait-and-see approach to asset valuations, particularly for office buildings.

Total revenues from asset management amounted to €601 million with recurring income of €195 million.

At the end of December 2023, the assets under management of the various management companies totaled €173 billion.

With the rise in interest rates, investors continued to show an interest in money market funds, a significant part of Crédit Mutuel Alliance Fédérale's business. Net inflows in 2023 thus amounted to €1.8 billion on money market funds, with €36.4 billion in assets under management. Asset management, excluding money-market funds, generated net inflows of nearly €1.9 billion. Sustainability continued to be a priority across all asset classes, both in listed assets (notably the Impact range of funds, with over €760 million in assets under management) and in unlisted assets, mainly real estate and private debt.

Maturity bond funds, the flagship expertise of the management companies La Française Asset Management and Crédit Mutuel Asset Management, enjoyed a strong response from investors, resulting in inflows of almost €885 million and representing €3.45 billion in assets under management.

A key player in the real estate asset class within La Française Group, **La Française REM** maintained its leading position in the French multi-family real estate market in a turbulent environment. In fact, it remained faithful to its approach, which combines caution and prudent management to ensure the quality of its assets and, in particular, the positioning of its SCPI.

Real estate appraisal represented assets under management of €30.6 billion, and raised over €870 million in 2023. The brand's appeal was hailed by the European Real Estate Brand Institute in June 2023.

In a volatile environment, structured products – EMTNs created by CIC under the **CIC Market Solutions** brand – were highly successful, with annual inflows of €2.7 billion for the retail, corporate and private banking networks as well as for external customers, with new products being issued at a steady pace. This expertise is also deployed as a white label through calls for tenders from major retailers.

Private debt, offered by **CIC Private Debt**, was attractive to investors: net inflows amounted to €246 million, bringing the total amount under management to €3.1 billion. The year 2023 was marked by the successful fundraising of CIC Debt Fund 4 (raising €565 million). CIC Private Debt was ranked the number one private debt fund in the first half of 2023 by DebtWire.

New for 2023, Cigogne Asset Management's alternative investment approach was democratized with the launch of a new fund, Cigogne UCITS Crédit Opportunities, which has posted a performance of +4.76% since its launch in July.

NewAlpha, an asset management subsidiary of La Française Group, specializing in equity and absolute performance multi-management and private equity, continued to expand, and now has €3 billion in assets under management.

BLI, with assets under management of €13.6 billion, built up an Impact range in partnership with Funds For Good, which was awarded the Towards Sustainability label. The asset management company materialized €1.9 billion in buybacks in 2023.

In terms of sustainable investment, Crédit Mutuel Asset Management and La Française Group distinguished themselves in 2023, by being ranked as avant-gardists in the RIBI (Responsible Investment Brand Index).

Of particular note is the launch in 2023 of the Révolution Environnementale et Solidaire fund, managed by Crédit Mutuel Impact. This fund, which has no objective of financial profitability and is 100% reserved for resilient investments for the environment and solidarity, has the primary ambition of changing production models. At the end of 2023, the fund had total assets of €363 million, derived from Crédit Mutuel Alliance Fédérale's share of the societal dividend created and launched in 2023. At December 31, 2023, Crédit Mutuel Impact had €640 million in assets under management.

Private Banking [1]

The **Banque Transatlantique Group** continued its development and posted solid results for 2023. All of the Group's entities in France and abroad improved their sales performance in a new interest rate environment.

All Banque Transatlantique Group entities: Banque Transatlantique France, Banque Transatlantique Belgium, Banque Transatlantique Luxembourg, Dubly Transatlantique Gestion and Transatlantique Private Wealth reached or exceeded their 2023 budgets.

Net revenue, a third of which was generated outside France, amounted to €206 million (+2% compared with 2022). This growth was driven both by the increase in net interest income (+8% *vs*. 2022) and by the increase in commissions unrelated to performance and outperformance fees received from Dubly Transatlantique Gestion (+2% *vs*. 2022). Net income was stable at €59.1 million (€61.2 million in 2022).

Outstanding loans reached €5.2 billion (+7% *vs.* 2022). Home loan production remained strong over the year, with outstandings amounting to €3.2 billion (+7% compared to 2022).

In 2023, the favorable effect of rising markets combined with very strong capital inflows across all customer segments (executive management, company directors, family offices, expatriates, etc.) resulted in a record savings volume of €62.5 billion (+19% on 2022). Financial savings amounted to €56.5 billion, up +20% in 2023.

In 2023, twenty new plans were taken up, confirming Banque Transatlantique's position as France's leading manager of employee share ownership plans.

(1) The earnings figures quoted in this section correspond to the parent company results of the entities and not their results contributing to the Crédit Mutuel Alliance Fédérale consolidation.

In 2023, **Banque de Luxembourg** continued to benefit from a favorable interest-rate environment, coupled with good commercial development across all its business lines geared towards private customers, corporates and asset management professionals.

Net revenue amounted to €437.2 million at the end of 2023, a +23% increase, while net profit reached €115.0 million, up +17% compared to 2022. This was due to a 92% increase in the net interest margin to €192.6 million, while net fees and commissions fell slightly by -4% to €234.4 million. Outstanding customer savings remained stable at €121 billion at the end of 2023.

During the year, Banque de Luxembourg obtained B Corp™ certification. In doing so, it joined the community of over 7,000 certified companies worldwide that meet high societal, environmental, governance and transparency requirements.

The 2023 fiscal year was marked for **Banque CIC (Suisse)** by a strategic review aimed at strengthening its market position as a bank serving entrepreneurs and businesses, and further exploiting synergies with the group.

With total assets of €14.3 billion, the expertise of its 461 employees in financing and investment, and an excellent track record in managing the funds entrusted to it, Banque CIC (Suisse) is perfectly positioned for further growth. Over the course of 2023, volumes evolved differently: savings fell by -2.0%, to €16.9 billion, and loans increased by +8.7%, to €10.7 billion.

Net revenue increased by +23% to €240 million. Net income came to €47.8 million, a sharp +43% increase compared to 2022, representing the best result in the bank's history despite an increase in provisions.

2.2.2.4.4 Corporate banking

In 2023, corporate banking represented 3% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	2023	2022 proforma	Change
Net revenue	**629**	**471**	**+33.7%**
General operating expenses	-155	-146	+5.8%
Gross operating income/(loss)	**474**	**324**	**+46.3%**
Cost of risk	-168	7	ns
of which proven	*-202*	*-51*	*x3.9*
of which non-proven	*35*	*58*	*-40.8%*
Operating income	**307**	**332**	**-7.5%**
Net gains and losses on other assets and ECC	**8**	**0**	**ns**
Income before tax	**315**	**332**	**-5.1%**
Income tax expense	-120	-72	+66.7%
NET INCOME	**195**	**260**	**-25.0%**

The corporate banking business line provides services to large corporate and institutional customers, based on a comprehensive approach to their needs, both in France and at CIC's foreign subsidiaries (London, Brussels, New York, Singapore and Hong Kong). It also assists the "corporate" networks in their dealings with major customers and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets and projects).

Corporate banking commitments rose by €6.3 billion, to €66.7 billion.

Net revenue rose by +33.7%, to €629 million in 2023, illustrating the strong momentum of the business.

The cost of risk deteriorated to €168 million, compared to €7 million in 2022.

Net income therefore fell to €195 million in 2023, compared to €260 million in 2022.

The **structured finance** activity (acquisition finance, project finance, asset finance and securitization) was very active across all business lines. Overall, loan production was higher than in 2022 and totaled €4.9 billion over the year, an increase of 3% compared to the previous fiscal year. Net revenue [1] reached an all-time high of €281.3 million. The cost of proven risk was very low, at less than 5 basis points, generating good results across all business lines. Income reached €182 million, which is higher than in 2022.

The **large corporates (CIC Corporate)** activity supports the development of listed and unlisted major French and foreign industrial companies and financial institutions with revenue of more than €500 million as part of a long-term relationship. In a period of inflation and upheaval in monetary policy, investment operations continued in 2023 at a slower pace than in 2022. Nevertheless, revenues rose sharply, boosted by the rise in lending rates, which had a very positive impact on net interest income, as well as by a strong sales momentum, particularly related to strategic operations or securing trade in France and abroad (financing, bond issues, guarantee issues, factoring, etc.).

(1) *Annual financial statements.*

The **international business department** helps corporate customers carry out their international projects. Despite geopolitical stress and a lack of visibility, support for these companies in securing their international sales continued: documentary transactions, international guarantees, forfeiting, supplier loans, buyer loans etc.

Through its specialized subsidiary CIC Aidexport, customers benefit from personalized assistance and advice for their international development: developing multi-market targeting, selecting partners, assisting with commercial or industrial set-ups, and offering a detailed, realistic analysis of the target market. In 2023, nearly 250 companies were supported by CIC Aidexport. In this context, the teams of the representative offices acted as effective ambassadors for our customers.

2.2.2.4.5 Capital Markets

In 2023, Capital Markets represented 3% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	2023	2022 proforma	Change
Net revenue	**465**	**342**	**+36.0%**
General operating expenses	-257	-236	+8.6%
Gross operating income/(loss)	**208**	**106**	**+97.3%**
Cost of risk	-5	-1	ns
Income before tax	**204**	**105**	**+93.9%**
Income tax expense	-57	-28	x2
NET INCOME	**147**	**77**	**+90.1%**

CIC Marchés comprises the commercial capital markets business – under the CIC Market Solutions brand – for corporate customers and financial institutions, investment activity and the post-market services that support these activities.

CIC Marchés posted a strong +36.0% increase in net revenue, to €465 million. Its general operating expenses rose by +8.6%, to €257 million. Gross operating income rose by +97.3%, to €208 million.

Gross operating income amounted to €208 million. Net income from Capital Markets totaled €147 million, a +90.1% increase (€77 million in 2022).

CIC Market Solutions enjoyed solid sales momentum in 2023. IFRS net revenue thus amounted to €241 million, compared to €169 million at the end of 2022, *i.e.* an increase of +43%. This increase was driven by all activities.

The **Investment business line** (including France, the New York, London and Singapore branches) generated net revenue of €224 million in 2023 compared to €173 million in 2022, above the five-year average. The continuing exit from unconventional central bank policies, measures taken to curb inflation, multiple geopolitical tensions and banking events (Credit Suisse and Silicon Valley Bank) brought volatility to financial markets, particularly fixed-income markets. The Investment business was particularly active in 2023, seizing opportunities as they arose. The volatility of results was low given the context.

2.2.2.4.6 Private equity

In 2023, Private Equity represented 2% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	2023	2022	Change
Net revenue	**345**	**430**	**-19.8%**
General operating expenses	-86	-75	+14.8%
Gross operating income/(loss)	**259**	**355**	**-27.1%**
Cost of risk	0	2	ns
Income before tax	**259**	**357**	**-27.5%**
Income tax	-2	-17	-87.0%
NET INCOME	**256**	**340**	**-24.6%**

Crédit Mutuel Equity encompasses all the group's equity financing business lines, from innovation capital, private equity and buyout capital to infrastructure investments and M&A advisory services. Crédit Mutuel Equity finances development projects, mainly in France via eight regional offices - Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse -, but also abroad through subsidiaries in Germany, Belgium, Switzerland and Canada.

Crédit Mutuel Equity invests Crédit Mutuel Alliance Fédérale's equity on a long-term basis and works alongside its managers to promote innovation, growth and employment, enabling them to carry out the necessary transformations of their business models, create financial and non-financial value and reach new levels of economic, social and environmental development.

As a proof of this commitment, over time, more than a quarter of its 333 investments have been held for more than ten years. However, portfolio renewal remains very dynamic, reflecting the strength of the structure: over the last three years, more than €1.5 billion has been sold and more than €1.7 billion invested.

The 2023 fiscal year saw a historic level of investment. Nearly €700 million were deployed with due caution in view of geopolitical uncertainties, their economic consequences on the expected growth of companies and the resulting valuation multiples. In France, no less than €430 million were invested in new companies throughout the country, and almost €200 million reinvested in the capital of portfolio companies. This outstanding invested portfolio reached €3.8 billion, demonstrating the strong momentum of these private equity business lines across all their segments.

At €345 million, the total income, two-thirds of which came from capital gains, returned to a normal level after two exceptional post-Covid years. Net income came to €256 million, demonstrating the strength and performance of the business model deployed, which has generated more than €1 billion in cumulative net income over the past three years.

For the second year in a row, CIC Conseil achieved a record year in terms of M&A commissions, despite a difficult market environment: 28 transactions were finalized in 2023, generating almost €15 million in commissions.

As a socially committed investor, Crédit Mutuel Equity has a useful, sustainable and human vision of its business lines, favoring balanced financial packages and respecting the timeframe of projects, with a constant concern for the fair redistribution of the value created by its operations for all stakeholders: shareholders, management and employees of the companies it supports.

2.2.2.4.7 Other business lines: IT, logistics, press & others

This segment mainly comprises:

- *the "logistics" business line, which includes the Group's IT companies and logistics organizations;*
- *Groupe EBRA (Crédit Mutuel Alliance Fédérale's regional daily press group), which owns nine regional dailies and more than 1,400 journalists: Le Dauphiné Libéré, Le Progrès, Le Bien Public, Le Journal de Saône et Loire, Le Républicain Lorrain, L'Est Républicain, Vosges Matin, Les Dernières Nouvelles d'Alsace and L'Alsace. The nine titles have a strong local presence and cover a total of 23 departments across the entire eastern seaboard of France. The EBRA group is present with its various brands in print and digital as well as an event offering with its subsidiary EBRA Events and video expertise via its subsidiaries EBRA Studios and EBRA Productions;*
- *holding company activities.*

In 2023, "other business line" entities represented 3% of the revenues of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	2023	2022 proforma
Net revenue	**-125**	**-16**
General operating expenses	151	244
Gross operating income/(loss)	**27**	**229**
Cost of risk	0	8
Operating income	**27**	**237**
Net gains and losses on other assets and ECC[1]	60	-1,207
Income before tax	**87**	**-970**
Income tax	-81	-27
NET INCOME	**6**	**-997**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Net revenue came to -€125 million, compared to -€16 million at the end of 2022, including reclassifications booked under the holding company.

Net income was positive at €6 million, compared to -€997 million in 2022, marked by:

- a €140 million (+15.2%) increase in income from the logistics business line; a +8.1% increase in income, to €2.4 billion, mainly from Euro-Information revenue; and a +10.6% rise in expenses, to €2.2 billion, reflecting ongoing technological investments;
- a deterioration in the press activity, with an income of -€22 million, compared to -€13 million a year earlier;
- a net income of €112 million from holding company activities. The 2022 fiscal year included, for a total of €1.2 billion, the impairment of TARGOBANK in Germany's goodwill and an additional provision relating to the disposal of TARGOBANK in Spain.

Focus on the media business

The current inflationary environment severely penalized the EBRA group's operations in 2023. Nevertheless, the group continued its digital transformation. Digital subscriptions increased by +20% between 2022 and 2023. The share of local digital advertising also increased, rising from just over 18% to 21% of advertising revenue generated by the EBRA group's local agencies.

In 2023, the EBRA group continued to deploy its strategic plan around four priority areas:

- strengthening content and services that create value and engagement;
- developing a growing, profitable and sustainable revenue model;
- investing in new high-contribution growth drivers;
- supporting the personal development of its employees and affirm its culture of excellence.

This plan is in line with the group's *raison d'être*: "Act to strengthen local ties and trust between players in our regions". To support its *raison d'être* and its press titles, in 2023, the group launched a communications campaign and a manifesto around the brand signature "The press that binds us".

In order to adapt to new uses and take better account of the reading contract, EBRA group publishers have developed and implemented a new paper format. The new, more modern layout facilitates access to information, improving legibility and reading comfort.

In 2023, EBRA became the first French press group to obtain JTI - Journalism Trust Initiative certification, thus reaffirming its editorial commitment to journalistic excellence, responsibility and transparency, as well as the independence of its titles.

Diversification into the events business continued, with the acquisition of a majority stake in KCIOP, organizer of the La Grande Odyssée sled dog race, and the acquisition of Livevent, a company that organizes inter-company sports challenges.

Digital transformation and diversification did not fully compensate for the erosion of print revenues and rising production costs. Nevertheless, efforts to control operating expenses have helped to mitigate the impact of the decline in revenue on the group's net income (negative in 2023).

2.2.2.5 Financial position of Crédit Mutuel Alliance Fédérale

2.2.2.5.1 Balance sheet

The structure of the balance sheet is the reflection of Commercial Banking of Crédit Mutuel Alliance Fédérale and the measures taken by the group to strengthen its financial structure in order to meet the new regulatory requirements that will be applicable in the forthcoming years. In particular:

- Crédit Mutuel Alliance Fédérale finances a greater proportion of customer loans through deposits. This change is an extension of the strategy rolled out in recent years. The loan/deposit ratio improved: it stood at 108.5% at December 31, 2023 compared to 109.9% at December 31, 2022;
- Crédit Mutuel Alliance Fédérale's liquidity risk was strictly managed under a system controlled by BFCM based on a centralized risk management system, described in chapter 5 "Risks and Capital adequacy – Pillar 3". In this way, significant progress was made in terms of Basel III liquidity ratios, which now exceed the 100% threshold; the LCR averaged 162.8% over 2023 (*vs*. 153.3% in 2022);

On December 31, 2023, shareholders' equity came to €62.4 billion and Common Equity Tier 1 to €55.7 billion. The ratio of Common Equity Tier 1 stood at 18.5%, one of the best at the European level. The overall ratio stood at 20.7% and the leverage ratio at 7.1% compared to 6.6% in 2022.

Assets

Summary. The group's assets stood at €913.5 billion as of December 31, 2023, compared to €883.6 billion at December 31, 2022 proforma (+3.4%).

This +3.4% rise in total assets (€30.0 billion) was mainly due to the increase in loans and receivables due from customers (€19.9 billion or +4.0%) and loans and receivables due from credit institutions (€9.7 billion or +16.9%).

Financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss include financial instruments held for trading (including derivative instruments) and certain financial assets designated by the group at fair value through profit or loss on the date of their acquisition (including securities held by private equity). These assets are revalued at their fair value during each closure.

The total amount of financial assets at fair value through profit or loss was €33.9 billion as of December 31, 2023 compared to €29.3 billion at December 31, 2022 proforma. Financial assets at fair value through profit or loss represented 4% of the total assets of the group as of December 31, 2023.

Financial assets at fair value through shareholders' equity. Financial assets at fair value through shareholders' equity mainly include bonds and other debt securities of €24.6 billion and government securities of €11.6 billion.

Loans and receivables due from credit institutions. Loans and receivables due from credit institutions are composed of demand deposits, inter-bank loans and securities subject to repurchase agreements. Loans and receivables due from credit institutions reached €66.8 billion as of December 31, 2023, compared to €57.2 billion at December 31, 2022 proforma.

Loans and receivables due from customers. Loans and receivables due from customers stood at €522.0 billion as of December 31, 2023, *versus* €502.1 billion at December 31, 2022, proforma.

Financial investments of insurance activities. Financial investments of insurance activities amounted to €131.0 billion at the end of 2023, compared with €122.1 billion a year earlier.

Liabilities (excluding shareholders' equity)

Summary. The group's consolidated liabilities excluding shareholders' equity stood at €851.2 billion as of December 31, 2023, *versus* €825.1 billion at December 31, 2022 proforma (+3.2%). These liabilities include subordinated debt at €11.5 billion as of December 31, 2023 *versus* €9.9 billion at December 31, 2022. The increase in liabilities excluding shareholders' equity recorded in 2023 is mainly due to the increase in debts due to customers of €24.1 billion (+5.3%) and debt securities of €15.6 billion.

Financial liabilities at fair value through profit or loss. The total amount of financial liabilities at fair value through profit or loss (held for trading) was €17.9 billion as of December 31, 2023, compared to €18.8 billion at December 31, 2022 proforma.

Debts due to credit institutions. Debts due to credit institutions decreased by €20.1 billion (-28.7%), to €50.0 billion, as of December 31, 2023.

Debts due to customers. Debts due to customers are mainly composed of demand deposits, term deposits, regulated savings accounts and securities subject to repurchase agreements. Debts due to customers amounted to €481.1 billion as of December 31, 2023, *versus* €457.0 billion on December 31, 2022. This increase is mainly due to the increase in special regime demand savings accounts and term deposits and loans.

Debt securities at amortized cost. Debt securities are composed of negotiable certificates of deposit and bond issues. Debt securities stood at €150.7 billion as of December 31, 2023, an increase of 11.6% compared to December 31, 2022 proforma.

Liabilities related to contracts of Insurance. Liabilities related to insurance contracts stood at €119.2 billion as of December 31, 2023, compared to €109.6 billion at December 31, 2022 proforma.

Consolidated equity

The consolidated equity attributable to the group stood at €60.4 billion as of December 31, 2023, *versus* €56.5 billion at December 31, 2022 proforma, with most of the increase corresponding to the net income carried forward.

Non-controlling interests increased from €1,925 million at December 31, 2022 proforma to €2,015 million as of December 31, 2023.

2.2.2.5.2 Liquidity and refinancing

All in all, 2023 was a good year for all markets (with the exception of commodities), with excellent performances in equities, credit and interest rates.

Boosted by the continuing rise in interest rates, bond markets saw record flows on all issuers, from High-Yield (HY) to Investment Grade (IG). Demand from investors attracted by yields not seen for several years met with no difficulty with rising bank issuance offers to compensate for the end of central banks' accommodating policies.

Indeed, central banks, who have been chasing out-of-control inflation since 2022, continued to raise rates in order to quickly eradicate rising prices. For example, the ECB raised its key rate by a further 200 basis points, reaching a high of 4% in September 2023. Similarly, the FED continued its monetary tightening by 100 basis points, ending up at 5.5% in July 2023. At the same time, long-term yields also rose sharply, reaching their autumn highs of 5% for the 10-year US rate, 3.59% for the 10-year OAT rate and 3.00% for the Bund rate.

This rapid and abrupt tightening of monetary and interest rate policies led to high market volatility and a banking liquidity crisis in the spring. Starting in the USA, the crisis spread to Europe. Although quickly curbed by the central banks, the consequences in the USA were the collapse of specialized banks (SVB and Silvergate) and the takeover of Crédit Suisse by UBS, under pressure from the authorities. In the end, this episode had no lasting impact on the health of the markets, which took off again. But this sudden and violent crisis reminded banks that liquidity remains a major issue for the survival of the global financial system.

In the end, this monetary policy paid off, with inflation sharply reduced and growth preserved; the dreaded recession was finally avoided. This backdrop prompted central banks to suggest that peak rates had been reached, but that rates should nevertheless remain high for a while (Higher for longer).

These cautious words were clearly not heeded by the markets, which at the end of the year saw rates fall sharply by "over-anticipating" the rate cuts expected for 2024. As a result, long yields returned to lower levels, particularly in Europe, with the 10-year OAT rate below 2.50% and the Bund rate significantly below 2%, which is 100 basis points down the peaks seen in 2023.

In total, the outstanding amount of external funding raised on the markets amounted to €155.2 billion at the end of December 2023, a decrease of -0.98% compared to the end of December 2022.

Short-term funding (less than one year) amounted to €52.6 billion at the end of December 2023, an increase of +3.68% compared to the previous fiscal year. It accounted for 34% of all market funding raised, two percentage points more than in 2022.

Medium and long-term (MLT) funding totaled €102.7 billion at the end of December 2023, a -3.2% reduction compared to 2022. At December 31, 2023, Crédit Mutuel Alliance Fédérale had raised €21.7 billion in MLT funds (including €1.25 billion in 2024 prefunding), primarily *via* BFCM, but also *via* Crédit Mutuel Home Loan SFH, its covered bond issuer, which enjoys the highest rating from the agencies. 71.0% of this MLT funding was raised in euros and the balance in foreign currencies (US dollar, pound sterling and Swiss franc), thereby demonstrating the good diversification of the investor base.

Public issues and private placements represent 87% and 13% of the total, respectively. The average length of medium and long-term funding raised as of December 31, 2023 was 5.78 years, comparable to the average for 2022.

2023 refinancing program

Public issues in the period to December 31, 2023 had a total value of €18.9 billion and were made up as follows:

- BFCM – senior EMTNs:
  - EUR 4.0 billion in senior format at 5, 6, 7 and 10 years, issued in March, June and September,
  - GBP 1.0 billion in a 3 year and 5 year issue in January and May,
  - CHF 485 million at 4 and 7 years, issued in January and July,
  - USD 3.75 billion at 3 and 5 years, issued in January and July in US144A format,
  - JPY 167.0 billion at 3, 5 and 10 years, issued in October in Samurai format;
- BFCM non-preferred senior EMTNs: €4.0 billion at 5, 7, 8 and 10 years, issued in January, May and November as part of MREL management;
- BFCM Tier2 EMTNs: €1.25 billion in 10 years issued in January;
- Crédit Mutuel Home Loan SFH: €3.5 billion at +4, 6 and 10 years, issued in February and April.

LCR and liquidity buffer

For the consolidated scope, Crédit Mutuel Alliance Fédérale's liquidity position is as follows:

- an average LCR of 162.8% in 2023 (*vs.* 153.3% in 2022);
- average HQLA (high quality liquid assets) of €125.6 billion, 79.8% of which is deposited at central banks (mainly the ECB).

The total liquidity reserves over the consolidated perimeter break down as follows:

Crédit Mutuel Alliance Fédérale *(in € billions)*	**12/31/2023**
Cash deposited in central banks	92.5
LCR securities (after LCR haircut)	27.0
O/w HQLA Level 1 securities	*21.6*
Other eligible assets, central banks (after ECB haircut)	50.6
TOTAL LIQUIDITY RESERVES	**170.1**

The liquidity reserve covers the vast majority of market funding due over 12 months.

Planned refinancing operations

The various amounts allocated by the EIB continued to be passed on to the final beneficiaries of the Crédit Mutuel Alliance Fédérale network in 2023.

Thus, the allocation of the "Young Farmers & Climate Action" package was finalized and a new package of €80 million was created.

In addition, the "EIB SME & Midcap III" and "Loans to medical professions" packages continued during the 2023 fiscal year, enabling those customers to receive support.

Finally, on December 18, 2023, a new contract was signed with the EIB. This is a new €350 million subsidized loan envelope, exclusively dedicated to financing small and medium-sized renewable energy projects, notably onshore wind power and photovoltaics, but also geothermal, hydraulic, biomass and biogas. An initial drawdown of €60 million was made in early January 2024.

2.2.2.5.3 Solvency

As of December 31, 2023, Crédit Mutuel Alliance Fédérale's shareholders' equity amounted to €62.4 billion, compared to €58.4 billion at the end of December 2022 proforma, an increase of nearly €4 billion due to carryforwards.

Crédit Mutuel Alliance Fédérale reported very solid solvency with a Common Equity Tier 1 (CET1) ratio of 18.5%, an increase of 40 basis points relative to December 31, 2022. The Tier 1 ratio stood at 18.6% at the end of 2023 and the overall solvency ratio at 20.7%.

Regulatory capital CET1 reached €55.7 billion, a 9.5% increase thanks to retained earnings.

Risk-weighted assets (RWAs) stood at €300.7 billion on December 31, 2023 (compared to €280.0 billion at the end of December 2022, a 7.4% increase). RWAs in terms of credit risk accounted for 91% of the total, at €274.4 billion.

Return on Risk-weighted Assets (RoRWA) reached a level of 1.42% at the end of December 2023, exceeding the targets of the revised 2019-2023 strategic plan.

2.2.2.5.4 External ratings

The three rating agencies that issue ratings for Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group all recognize their financial stability and the validity of the business model:

	LT/ST Counterparty**	**Issuer/LT Preferred senior debt**	**Outlook**	**ST preferred senior debt**	**Stand-alone rating******	**Date of last publication**
Standard & Poor's [1]	AA-/A-1+	A+	Stable	A-1	a	11/22/2023
Moody's [2]	Aa2/P-1	Aa3	Stable	P-1	a3	03/08/2024
*Fitch Ratings** [3]	AA-	AA-	Stable	F1+	a+	01/19/2024

**The "Issuer Default Rating" is stable at A+*

***The counterparty ratings correspond to the following agency ratings: Resolution Counterparty for Standard & Poor's, Counterparty Risk Rating for Moody's and Derivative Counterparty Rating for Fitch Ratings.*

****The stand-alone rating corresponds to the Stand Alone Credit Profile (SACP) rating from Standard & Poor's, the Adjusted Baseline Credit Assessment (Adj. BCA) rating from Moody's, and the Viability Rating from Fitch Ratings.*

(1) Standard & Poor's: Crédit Mutuel group rating.

(2) Moody's: Crédit Mutuel Alliance Fédérale/BFCM and CIC ratings.

(3) Fitch Ratings: Crédit Mutuel Alliance Fédérale rating (as the leading entity of the Crédit Mutuel group).

In 2023 and at the beginning of 2024, the three main financial rating agencies confirmed the external ratings and stable outlooks assigned to Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group. This reflects operational efficiency, recurring earnings, a low risk profile and strong financial fundamentals.

2.2.2.6 Methodology notes

2.2.2.6.1 Restated 2022 result

As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 "Insurance Contracts" at the Group level as well as IFRS 9 "Financial Instruments" for its insurance entities.

In order to have a consistent reference, the data as of December 31, 2022 has been restated on a proforma basis.

The two business lines affected are:

- **insurance**, on the one hand, with two main effects:
  - amortization over the contract life of the expected future profits (CSM - Contractual Service Margin) from multi-year contracts (life, creditor, long-term care and burial and funeral insurance),
  - reclassification of expenses related to insurance contracts from general operating expenses to net revenue.
- "**other business lines**", with expenses incurred by the network for the distribution of insurance contracts reclassified as net revenue; to avoid skewing the analysis of the businesses' performance, these expenses were reclassified under "other business lines".

In addition, the restated 2022 financial statements were impacted by two factors:

- the deconsolidation, effective January 1, 2022, of several subsidiaries of Groupe des Assurances du Crédit Mutuel (GACM), including MTRL, Sérénis Assurance, ACM Belgium (formerly Partners Assurances), ICM Life and ACM Courtage;
- the recognition as net revenue of the banking network, of expenses relating to "development plans" previously recorded in "other business lines".

2.2.2.7 Alternative performance indicators

ALTERNATIVE PERFORMANCE INDICATORS (API) – ARTICLE 223-1 OF THE AMF GENERAL REGULATION/ESMA GUIDANCE (ESMA/20151415)

Name	Definition/calculation method	For ratios, reason for use
Cost/income ratio	Ratio calculated from items of the consolidated income statement: ratio of general operating expenses (sum of "employee benefit expense", "other operating expenses" and "movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets") and the "net revenue"	Measure of the bank's operational efficiency
Overall cost of customer risk related to outstanding loans *(expressed in % or basis points)*	Cost of customer risk from the notes to the consolidated financial statements related to gross outstanding loans at the end of the period	Enables assessment of the level of risk as a percentage of credit commitments on the balance sheet
Cost of risk	The "cost of counterparty risk" item on the publishable consolidated income statement	Measurement of the level of risk
Customer loans	The "loans and receivables due from customers at amortized cost" item in consolidated balance sheet assets	Measurement of customer loan activity
Cost of proven risk	Impaired assets (S3) see note "cost of counterparty risk"	Measures the level of proven risk (non-performing loans)
Cost of non-proven risk	12-month expected losses (S1) + expected losses at maturity (S2) see note "cost of counterparty risk". Application of IFRS 9	Measurement of the level of non-proven risk
Customer deposits; deposit accounting	The "amounts due to customers at amortized cost" item in consolidated balance sheet liabilities	Measurement of customer activity in terms of balance sheet resources
Insurance savings	Life insurance assets held by our clients ■ management data (insurance company)	Measurement of customer activity in matters of life insurance
Financial savings; managed savings held in custody	Off-balance sheet savings outstandings held by our customers or held in custody (securities accounts, UCITS, etc.) ■ management data (group entities)	Representative measure of activity in terms of off-balance sheet funds (excluding life insurance)
Total savings	Sum of account deposits, insurance savings and bank financial savings	Measurement of customer activity in matters of savings
General operating expenses; management fees	Sum of "employee benefit expense", "general operating expenses" and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" lines from the publishable consolidated income statement	Measure the level of general operating expenses
Net interest margin; net interest revenue; net interest income.	Calculated from the items on the consolidated income statement: difference between interest received and interest paid: ■ interest received = "interest and similar income" item of the publishable consolidated income statement ■ interest paid = "interest and similar expenses" item of the publishable consolidated income statement	Representative measurement of profitability
Loan/deposit ratio; commitment coefficient	Ratio calculated on the basis of consolidated balance sheet items: ratio expressed as a percentage between total customer loans and customer deposits	Measurement of dependence on external refinancing
Return on assets (ROA)	The average return on total assets ratio is calculated by dividing net income by average total assets over two years	The ROA is a performance indicator of the bank. It measures income in relation to assets employed
Total coverage ratio	Determined by calculating the ratio of provisions for credit risk (S1, S2 and S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3)	This coverage ratio measures the maximum residual risk associated with total outstandings
Coverage ratio of non-performing loans	Determined by calculating the ratio of provisions for credit risk (S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3)	This hedge rate measures the maximum residual risk associated with loans in default ("non-performing")
Non-performing loan ratio; doubtful and disputed debts - CDL rate	Ratio between gross outstanding receivables subject to individual impairment (S3) and gross customer loans (calculated from the notes "Loans and receivables to customers" to the consolidated financial statements: gross receivables + finance leases)	Indicator of asset quality

ALTERNATIVE PERFORMANCE INDICATORS (API): RECONCILIATION WITH THE FINANCIAL STATEMENTS *(in € millions)*

Cost/income ratio	2023	2022 proforma
General operating expenses	-9,173	-8,610
Net revenue	16,060	15,625
COST/INCOME RATIO	**57.1%**	**55.1%**

Net income/average regulatory assets (RoRWA)	2023	2022 proforma
Total net income (including non-controlling interests)	4,115	3,485
Average regulatory assets (RWA)	290,306	262,528
NET INCOME/AVERAGE REGULATORY ASSETS	**1.42%**	**1.33%**

Loans/deposits	2023	2022
Net customer loans	521,951	502,097
Customer deposits	481,095	456,983
LOANS/DEPOSITS	**108.5%**	**109.9%**

Coverage ratio of non-performing loans	2023	2022
Provisions for impairment on non-performing loans (S3)	-7,013	-6,278
Gross receivables subject to individual impairment (S3)	15,133	13,181
COVERAGE RATIO OF NON-PERFORMING LOANS	**46.3%**	**47.6%**

Total coverage ratio	2023	2022
Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans	-10,103	-9,571
Gross receivables subject to individual impairment (S3)	15,133	13,181
TOTAL COVERAGE RATIO	**66.8%**	**72.6%**

Non-performing loan ratio	2023	2022
Gross receivables subject to individual impairment (S3)	15,133	13,181
Gross customer loans	532,054	511,668
NON-PERFORMING LOAN RATIO	**2.8%**	**2.6%**

Overall cost of customer risk related to outstanding loans	2023	2022
Cost of customer risk	-1,241	-833
Average gross loans to customers	521,861	482,844
TOTAL CUSTOMER COST OF RISK AS A PERCENTAGE OF OUTSTANDING LOANS (IN BASIS POINTS)	**24**	**17**

Return on assets (ROA)	2023	2022 proforma
Net income	4,115	3,485
Average assets	898,658	863,788
RETURN ON ASSETS (ROA)	**0.46%**	**0.40%**

2.2.3 Recent developments and outlook

2.2.3.1 Events after the reporting period

Change in governance

After ten years as Chairman, Nicolas Théry will step down in April 2024 and will propose the appointment of Daniel Baal, Chief Executive Officer with whom he has formed a duo since 2017, to succeed him.

Nicolas Théry will therefore propose to the Chambre syndicale (Parliament of the Fédération du Crédit Mutuel Centre Est Europe), to the Board of Directors of Caisse Fédérale de Crédit Mutuel (parent entity of Crédit Mutuel Alliance Fédérale) and to the General Meeting of the Confédération Nationale du Crédit Mutuel, which will meet on April 4 and 5, the appointment of Daniel Baal as Chairman of the Centre Est Europe federation, Crédit Mutuel Alliance Fédérale and the National Confederation.

On the proposal of Daniel Baal, the duties of Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, the parent entity of Crédit Mutuel Alliance Fédérale, should be entrusted to Eric Petitgand, current Deputy Chief Executive Officer.

MREL

The Crédit Mutuel group (the "group", "Crédit Mutuel") has received notification of its new minimum requirement for own funds and eligible liabilities applicable on a consolidated basis at the level of the resolution group, which is composed of the central body (Confédération Nationale du Crédit Mutuel), its affiliated entities including Banque Fédérative du Crédit Mutuel, and all their subsidiaries (the "MREL requirement").

Crédit Mutuel's external MREL requirement is set at 21.92% of the group's risk-weighted assets (the "RWA") and at 6.53% of the leverage ratio exposure. This requirement must be met with the group's consolidated own funds and eligible liabilities directly issued by the central body and its affiliated entities.

The subordinated MREL requirement is set at 15.36% of the RWA and at 6.53% of the leverage ratio exposure.

The group largely covers global and subordinated requirements with its shareholders' equity and senior non-preferred outstandings.

2.2.3.2 Outlook

In December 2023, Crédit Mutuel Alliance Fédérale launched its new 2024-2027 strategic plan ENSEMBLE PERFORMANT SOLIDAIRE (TOGETHERNESS PERFORMANCE SOLIDARITY), which aims to strengthen its development ambitions to put its financial performance at the service of society.

This performance will be put at the service of society with the societal dividend (15% of the net income of Crédit Mutuel Alliance Fédérale), which was operational from 2023 and will reach full speed in 2024. By 2027, €2.5 billion should be mobilized for the ecological transformation and social and regional solidarity.

2.3 BFCM ACTIVITIES AND CONSOLIDATED EARNINGS

2.3.1 BFCM activities and earnings – consolidated scope

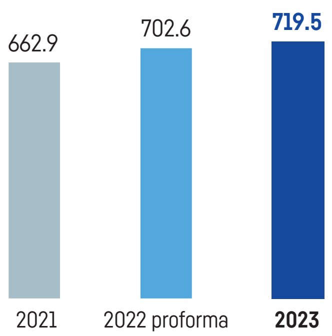
The financial statements at December 31, 2023 have been prepared in accordance with IFRS 17 "Insurance Contracts" at group level, and IFRS 9 "Financial Instruments" for its insurance entities. In order to have a comparable reference, the financial statements at December 31, 2022 have been restated on a pro forma basis to take into account the application of these new standards.

2.3.1.1 Key figures

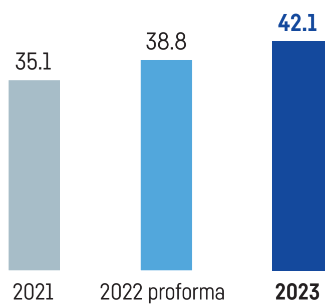
(in € millions)	2023	2022 proforma	2021 published
Net revenue	11,808	11,533	11,902
Operating income	4,472	5,093	4,906
Net income	3,345	2,678	2,842
Group net income	3,002	2,341	2,487
Cost/income ratio*	51.3%	49.4%	53.3%

**General operating expenses as a percentage of net revenue.*

TOTAL BALANCE SHEET
(in € billions at December 31)



SHAREHOLDERS' EQUITY
(in € billions at December 31)



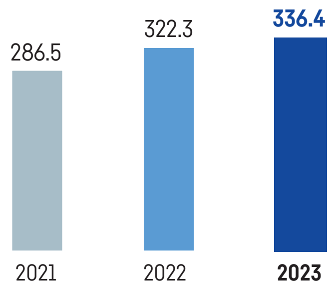
(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Home loans	120.7	115.2	+4.7%	103.1
Consumer credit	45.6	40.4	+12.9%	37.2
Equipment & leasing	113.8	108.0	+5.3%	94.0
Operating loans [1]	48.0	52.0	-7.8%	46.9
Other	8.3	6.6	+26.4%	5.4
Customer loans	**336.4**	**322.3**	**+4.4%**	**286.5**

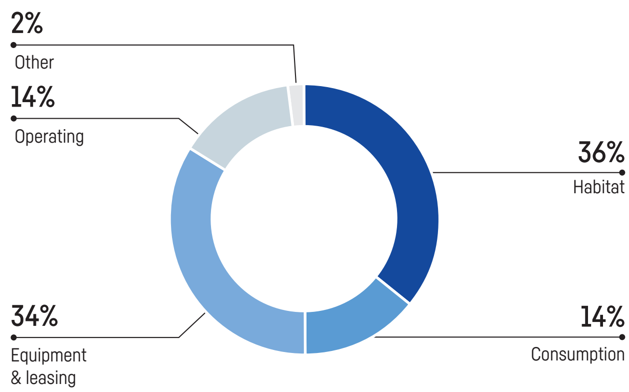
(1) Current accounts in debit & cash flow loans.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Current accounts	136.0	160.3	-15.1%	169.5
Livret A passbook accounts	15.4	13.0	+18.6%	11.4
Other passbook accounts	34.1	40.5	-15.9%	35.7
Mortgage savings agreements	11.2	12.4	-9.7%	12.4
Brokered deposits [1]	83.5	42.3	+97.2%	37.8
Other	19.1	15.2	+25.8%	7.5
Customer deposits	**299.3**	**283.7**	**+5.5%**	**274.3**

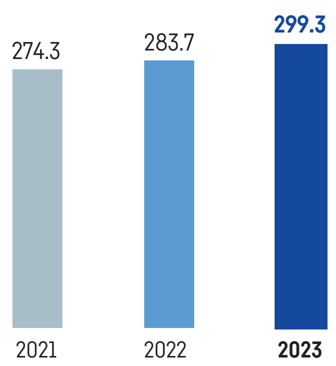
(1) PEP & term deposits.

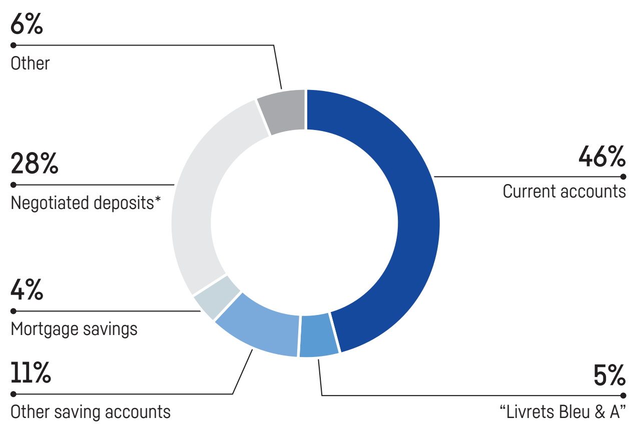
NET CUSTOMER LOANS *(in € billions at December 31)*





CUSTOMER DEPOSITS *(in € billions at December 31)*





** PEP and term deposits*

2.3.1.2 Analysis of the consolidated balance sheet

The total BFCM consolidated balance sheet was €719.5 billion at the end of 2023, compared to €702.6 billion (+2.4%) at December 31, 2022.

On the asset side, total net outstanding customer loans at amortized cost were up by 4.4% to €336.4 billion. This increase was driven by home loans (+4.7%) at €120.7 billion, consumer credit (+12.9%) at €45.6 billion and equipment loans (+5.3%) at €93.1 billion. Finance leasing continued its recovery that began in 2021 with an increase of 5.7% to €20.7 billion, in line with the high level of customer support. Cash credit declined by -9.9%.

The "Due to customers" item on the liabilities side of the balance sheet is made up of customer savings deposits, including related receivables. Outstanding customer bank deposits amounted to €299.3 billion at the end of December 2023, up 5.5% compared to 2022. Of this total, CIC entities alone accounted for around 76% (compared to 78% in 2022), whereas TARGOBANK in Germany contributed for 11.2% (€33.5 billion), BEOBANK for 2.5% (€7.5 billion) and BECM for 4.5% (€13.5 billion).

Inflows were particularly strong in Livret A passbook accounts, where outstandings rose by +18.6% to over €15 billion. The instability of financial markets led customers to turn to products that are both liquid and secure. Regulated savings continued to benefit from favorable conditions in 2023: both Livret A and LLDS passbook accounts saw their interest rates rise from 2% in January to 3% as of February.

In addition, the attractive interest rates offered also benefited term deposits and popular savings passbook accounts, resulting in an increase in negotiated deposits of almost €41 billion reaching almost €84 billion at the end of 2023.

At the end of December 2023, regulated savings [1] reached €37.2 billion compared to €8.3 billion in 2022.

Financial liabilities measured at fair value through profit or loss amounted to €17.9 billion in 2023, compared to €18.8 billion at December 31, 2022.

Issues of securities other than those measured at fair value through profit or loss totaled €150.3 billion, an 11.7% increase year-on-year. Bonds accounted for most of this, with outstanding amounts of €80.2 billion, followed by interbank market securities and negotiable debt instruments (€57.1 billion). The balance of the item consists of certificates of deposit and related debt.

Debts due to credit institutions fell to €59.3 billion (-27.0%).

Liabilities relating to insurance contracts, representing commitments to policyholders, amounted to €120.0 billion (+8.4%).

The bulk of non-controlling interests recognized as liabilities (€4.3 billion at the end of 2023) concerned other Crédit Mutuel groups belonging to Groupe des Assurances du Crédit Mutuel (GACM) and external shareholders of the Cofidis Group.

Shareholders' equity attributable to the group totaled €37.8 billion, a 9.3% increase year-on-year (+€3.2 billion).

On the assets side, investments on the interbank market comprised assets in cash and with the Central Bank in the amount of €97.1 billion and with credit institutions in the amount of €62.9 billion.

Financial assets measured at fair value through profit or loss amounted to €33.2 billion compared to €28.6 billion the previous year.

Goodwill in the amount of €2.1 billion resulted mainly from the acquisition of TARGOBANK in Germany securities in December 2008 (€1.0 billion), the acquisition of shares in the Cofidis Group (€378 million) and Cofidis France (€79 million) at the beginning of March 2009, and the purchase of CIC securities (residual goodwill of €506 million).

2.3.1.3 Analysis of the consolidated income statement

(in € millions)	2023	2022 proforma	Change
Net revenue	**11,808**	**11,533**	**+2.4%**
General operating expenses	-6,057	-5,697	+6.3%
Gross operating income/(loss)	**5,751**	**5,836**	**-1.5%**
Cost of risk	-1,279	-743	+72.2%
cost of proven risk	*-1,359*	*-823*	*+65.0%*
cost of non-proven risk	*80*	*81*	*-0.8%*
Operating income	**4,472**	**5,093**	**-12.2%**
Net gains and losses on other assets and ECC [1]	53	-1,150	ns
Income before tax	**4,525**	**3,943**	**+14.8%**
Income tax	-1,180	-1,265	-6.8%
Net income	**3,345**	**2,678**	**+24.9%**
Non-controlling interests	343	336	+2.1%
GROUP NET INCOME	**3,002**	**2,341**	**+28.2%**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

(1) Livret A, LDD, LEP, CEL, livret jeune passbook accounts, PEL (mortgage saving plans), PEP.

Net revenue

Against the backdrop of a changing interest rate environment, BFCM's net revenue continued to grow, reaching €11.8 billion *versus* €11.5 billion in 2022, an increase of 2.4%. This trend was driven by the resilience of retail banking, coupled with a good performance by the specialized business lines, particularly private banking, corporate banking and Capital Markets.

Net revenue from **retail banking** was €8.4 billion. In 2023, it rose by 1.2%.

The **asset management and private banking** activity posted net revenue of €1,125 million, a 17.4% increase, reflecting sustained commercial activity, higher net interest margins and higher stock market and management fees.

The good level of activity in corporate loans and project finance enabled **corporate banking** to post a sharp rise in net revenue (+33.7%) to €630 million.

Market movements benefited **Capital Markets**, with a +36% increase in net revenue, to €465 million from €342 million at the end of December 2022.

Net revenue from **private equity** was solid at nearly €345 million, compared to €430 million in 2022 after two exceptional years.

The other business lines were affected by IFRS 17 restatements relating to Insurance carried by the banking network.

General operating expenses and gross operating income

In 2023, general operating expenses rose by 6.3%, to €6.1 billion, in line with development objectives and in a context of inflation.

Employee benefits expense (54% of general operating expenses) include the impact of salary increases decided at the beginning of 2023 (+4.5% of payroll expense).

The increase in other operating expenses reflects technological investments and the corporate philanthropy policy as part of the societal dividend.

Other operating expenses continued to be impacted in 2023 by contributions to the Single Resolution Fund (SRF), supervision fees and contributions to the Deposit Guarantee Fund (DGF) amounting to €266 million in 2023 (*versus* €329 million in 2022).

The cost/income ratio reached 51.3%, compared to 49.4% in 2022 at equivalent standards.

Gross operating income fell slightly (-1.5%) to €5.8 billion.

Cost of risk and non-performing loans

2023 was marked by an increase in the overall cost of risk (+72.2%) to -€1.3 billion (*i.e.* 36 basis points compared to 26 basis points in 2022), which weighed on results:

- an increase in the cost of proven risk to 39 basis points (compared to 26 basis points at end-2022) for retail and consumer credit customers, as well as in corporate banking, due to a rise in defaults in the professional and business customer markets and the downgrading of market files. This downturn reflects deteriorating economic conditions;
- a net reversal of the cost of non-proven risk of €80 million, stable compared with 2022.

The non-performing loan ratio rose - year-on-year - to 3.7% at end-2023 (*vs.* 3.3% in 2022), and the coverage ratio stood at 38.5% *vs.* 39.1% in 2022.

Gross operating income fell to €4.5 billion.

Other

In contrast to 2022, "**Net gains and losses on other assets and ECC**" did not contain any major adjustments and reached +€53 million compared to -€1.2 billion a year earlier. As a reminder, the 2022 fiscal year included a -€958 million adjustment to the value of TARGOBANK in Germany's goodwill due to the increase in the discount rate, as well as additional provisions (-€270 million) relating to the sale of TARGOBANK in Spain to ABANCA.

Income before tax

Income before tax rose by 14.8%, to €4.5 billion at the end of 2023, compared to €3.9 billion in 2022.

Net income

In a still troubled macroeconomic context, net income rose by +24.9%, to €3.3 billion.

The group's net income reached over €3 billion (+28.2%).

(in € millions)	12/31/2023	12/31/2022	12/31/2021
Customer loans (net outstandings on the balance sheet)	336,388	322,279	286,482
Gross loans	344,997	330,281	294,205
Gross non-performing loans	12,600	10,828	9,740
Provisions for impairment of receivables	8,609	8,003	7,724
of which provisions for impairments on non-performing loans (Stage 3)	*6,010*	*5,302*	*5,068*
of which provisions for impairments on performing loans (Stages 1 & 2)	*2,599*	*2,701*	*2,656*
Ratio of non-performing loans in gross loans	3.7%	3.3%	3.3%

Transactions with Crédit Mutuel Alliance Fédérale entities

BFCM's consolidated gross operating loss in 2023 was -€1.2 billion related to transactions carried out with Crédit Mutuel Alliance Fédérale entities that are not part of the BFCM consolidation scope (mainly local banks and CFCM).

Net interest expense on these operations reached -€251 million in 2023 compared to a proforma income of €309 million in 2022. Net commissions fell to -€32 million. Net expenses from other activities recorded by these entities stood at €755 million in 2023, compared to proforma net expenses of €744 million in 2022. General overheads amounted to €183 million in 2023 compared to €146 million at the end of 2022 on a proforma basis.

As of December 31, 2023, the outstanding loans granted to the Crédit Mutuel Alliance Fédérale entities that are not part of the BFCM consolidation scope totaled €34.3 billion.

2.3.1.4 Analysis of results by business line

The activities mentioned below correspond to the organizational structure of Crédit Mutuel Alliance Fédérale. The reader may also refer to note 2 to the financial statements "Analysis of income statement by business segment and geographic area" and to note 3 "Consolidation scope", which presents the business combinations retained.

2.3.1.4.1 Retail banking

(in € millions)	2023	2022 proforma	Change
Net revenue	**8,410**	**8,314**	**+1.2%**
General operating expenses	-4,995	-4,728	+5.6%
Gross operating income/(loss)	**3,415**	**3,587**	**-4.8%**
Cost of risk	-1,032	-726	+42.0%
cost of proven risk	*-1,082*	*-769*	*+40.6%*
cost of non-proven risk	*50*	*43*	*+16.9%*
Operating income	**2,384**	**2,860**	**-16.7%**
Net gains and losses on other assets and ECC[1]	3	5	-39.4%
Income before tax	**2,386**	**2,865**	**-16.7%**
Income tax	-683	-814	-16.0%
NET INCOME	**1,703**	**2,051**	**-17.0%**

(1) ECC = Equity consolidated companies = share of net income from equity consolidated companies.

Net revenue from retail banking was €8.4 billion (+1.2%).

General operating expenses increased by 5.6% to €5.0 billion.

The cost of risk rose (+€306 million) to €1,032 million, of which €1,082 million represented the cost of proven risk (+40.6%). The non-proven risk was a net reversal of €50 million.

This resulted in net income of €1.7 billion, a 17.0% decrease.

2.3.1.4.2 Insurance

(in € millions)	2023	2022 proforma	Change
Net revenue - Insurance	**1,198**	**1,216**	**1.5%**
General operating expenses	-129	-113	+14.5%
Gross operating income/(loss)	**1,069**	**1,103**	**-3.1%**
Net gains and losses on other assets and ECC[1]	-5	-13	-62.6%
Income before tax	**1,064**	**1,090**	**-2.4%**
Income tax	-232	-266	-12.7%
NET INCOME	**832**	**824**	**+0.9%**

(1) ECC = Equity consolidated companies = share of net income from equity consolidated companies.

At €837 million, the contributory net income of Groupe des Assurances du Crédit Mutuel (GACM) increased by 1.5% compared to 2022..

Insurance written premiums rose by +4.8% year-on-year, to €12.1 billion, driven in particular by buoyant life insurance premiums (+5.6%), driven by strong growth in payments into euro funds. General operating expenses of €129 million increased by +14.5% (on an equivalent basis).

2.3.1.4.3 Asset management and private banking

(in € millions)	2023	2022 proforma	Change on a like-for-like basis
Net revenue	**1,125**	**958**	**+17.4%**
General operating expenses	-705	-656	+7.6%
Gross operating income/(loss)	**419**	**302**	**+38.8%**
Cost of risk	-75	-33	x2.2
Gross operating income/(loss)	**344**	**269**	**+27.9%**
Net gains and losses on other assets and ECC[1]	0	13	ns
Income before tax	**344**	**282**	**+22.2%**
Income tax	-78	-55	+41.4%
NET INCOME	**267**	**227**	**+17.5%**

(1) ECC = Equity consolidated companies = share of net income from equity consolidated companies.

Asset management and private banking posted net revenue of over €1.1 billion, *i.e.* 9% of the net revenue of BFCM's operating business lines, an increase of +17.4%. This increase underscores the sustained commercial activity in private banking following the rise in interest rates, which is helping to boost the net interest margin.

General operating expenses increased by +7.6%.

The cost of risk rose to €75 million in 2023 from €33 million in 2022.

In 2022, "Net gains and losses on other assets and ECC" comprised non-recurring income related to the first-time consolidation of Crédit Mutuel Investment Managers and CIC Private Debt.

Net income rose by 17.5% to €267 million in 2023, compared to €227 million in 2022.

This data does not include Private Banking carried out through CIC's network and its five regional banks, *i.e.* net revenue of €212 million (-10%) and net income of €87 million (-18%).

2.3.1.4.4 Corporate banking and Capital Markets

(in € millions)	2023	2022 proforma	Change
Net revenue	**1,094**	**813**	**+34.7%**
General operating expenses	-411	-383	+7.5%
Gross operating income/(loss)	**683**	**430**	**+58.8%**
Cost of risk	-172	7	ns
Operating income	**511**	**437**	**+16.9%**
Net gains and losses on other assets and ECC[1]	8	-	ns
Income before tax	**519**	**437**	**+18.7%**
Income tax	-177	-100	+77.3%
NET INCOME	**342**	**337**	**+1.4%**

(1) ECC = Equity consolidated companies = share of net income from equity consolidated companies.

Corporate banking

The net revenue increased by+33.7% to €629 million at the end of 2023, illustrating the strong momentum of the business.

General operating expenses rose by +5.8%, to €155 million.

The cost of risk deteriorated to -€168 million, compared to a net reversal of +€7 million in 2022.

Net income therefore fell to €195 million at December 31, 2023, compared to €260 million the previous year.

Capital Markets

Capital Markets benefited from opportunities arising from movements in the financial markets. CIC Marchés posted a strong +36.0% increase in net revenue, to €465 million.

After an +8.6% increase in general operating expenses, gross operating income rose by more than 97%, to €208 million.

Overall net income from Capital Markets activities totaled €147 million compared to €77 million a year earlier.

2.3.1.4.5 Private equity

(in € millions)	2023	2022 proforma	Change
Net revenue	**345**	**430**	**-19.8%**
General operating expenses	-86	-75	+14.8%
Gross operating income/(loss)	**259**	**355**	**-27.1%**
Cost of risk	0	2	ns
Income before tax	**259**	**357**	**-27.5%**
Income tax	-2	-17	-87.0%
NET INCOME	**256**	**340**	**-24.6%**

The 2023 fiscal year saw a record level of investment. Nearly €700 million were deployed with due caution in view of geopolitical uncertainties, their economic consequences on the expected growth of companies and the resulting valuation multiples.

Portfolio renewal is very dynamic, reflecting the strength of the structure: over the last three years, more than €1.5 billion has been sold and more than €1.7 billion invested.

With €345 million achieved over 2023, total income returned to a normal level after two exceptional post-Covid years.

The contribution to net income came to €256 million, demonstrating the solidity and performance of the model deployed.

2.3.1.4.6 Other business lines

(in € millions)	2023	2022 proforma
Net revenue	**-364**	**-198**
General operating expenses	270	257
Gross operating income/(loss)	**-94**	**59**
Cost of risk	1	8
Operating income	**-94**	**68**
Net gains and losses on other assets and ECC[1]	47	-1,155
Income before tax	**-47**	**-1,087**
Income tax	-7	-14
NET INCOME	**-54**	**-1,101**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

The IT, logistics and press activities generated net revenue of -€364 million in 2023 (of which -€735.3 from reciprocal transactions), compared to -€197.8 million in 2022 (-€753.7 from reciprocal transactions).

The net loss amounted to €54 million in 2023, compared to a loss of €1,101 million in 2022.

2.3.1.5 Alternative performance indicators

ALTERNATIVE PERFORMANCE INDICATORS (API) – ARTICLE 223-1 OF THE AMF GENERAL REGULATION/ESMA GUIDANCE (ESMA/20151415)

Name	Definition/calculation method	For ratios, reason for use
Cost/income ratio	Ratio calculated from items of the consolidated income statement: ratio of general operating expenses (sum of "employee benefit expense", "other operating expenses" and "movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets") and the "net revenue"	Measure of the bank's operational efficiency
Overall cost of customer risk related to the outstanding loans (expressed in % or in basis points)	Cost of customer risk from the notes to the consolidated financial statements related to gross outstanding loans at the end of the period	Enables assessment of the level of risk as a percentage of credit commitments on the balance sheet
Cost of risk	The "cost of counterparty risk" item on the publishable consolidated income statement	Measurement of the level of risk
Customer loans/loan production	The "loans and receivables due from customers at amortized cost" item in consolidated balance sheet assets	Measurement of customer loan activity
Cost of proven risk	Impaired assets (S3) see note "cost of counterparty risk"	Measures the level of proven risk (non-performing loans)
Cost of non-proven risk	12-month expected losses (S1) + expected losses at maturity (S2) see note "cost of counterparty risk". Application of IFRS 9	Measurement of the level of non-proven risk
Customer deposits; accounting deposits	The "amounts due to customers at amortized cost" item in consolidated balance sheet liabilities	Measurement of customer activity in terms of balance sheet resources
Insurance savings	Life insurance reserves held by our clients management data (insurance company)	Measurement of customer activity in matters of life insurance
Bank financial savings, savings managed and held	Off-balance sheet savings outstandings held by our customers or held in custody (securities accounts, UCITS, etc.) ■ management data (group entities)	Representative measure of activity in terms of off-balance sheet funds (excluding life insurance)
Total savings	Sum of account deposits, insurance savings and bank financial savings	Measurement of customer activity in matters of savings
General operating expenses; general operating expenses; management fees	Sum of "employee benefit expense", "general operating expenses" and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" lines from the publishable consolidated income statement	Measure the level of general operating expenses
Net interest margin; net interest revenue; net interest income.	Calculated from the items on the consolidated income statement: difference between interest received and interest paid: ■ interest received = "interest and similar income" item of the publishable consolidated income statement ■ interest paid = "interest and similar expenses" item of the publishable consolidated income statement	Representative measurement of profitability
Loan-to-deposit ratio; commitment factor	Ratio calculated on the basis of consolidated balance sheet items: ratio expressed as a percentage between total customer loans and customer deposits	Measurement of dependence on external refinancing
Return on assets (ROA)	The average return on total assets ratio is calculated by dividing net income by average total assets over two years	The ROA is a performance indicator of the bank. It measures income in relation to assets employed
Total coverage ratio	Determined by calculating the ratio of provisions for credit risk (S1, S2 and S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3)	This coverage ratio measures the maximum residual risk associated with total outstandings
Coverage ratio of non-performing loans	Determined by calculating the ratio of provisions for credit risk (S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3)	This hedge rate measures the maximum residual risk associated with loans in default ("non-performing")
Non-performing loans as a % of gross loans; doubtful and disputed debts - CDL rate	Ratio between gross outstanding receivables subject to individual impairment (S3) and gross customer loans (calculated from the notes "Loans and receivables due from customers" to the consolidated financial statements: gross receivables + finance leases)	Indicator of asset quality

ALTERNATIVE PERFORMANCE INDICATORS (API): RECONCILIATION WITH THE FINANCIAL STATEMENTS *(in € millions)*

Cost/income ratio	2023	2022 proforma	2021
General operating expenses	-6,057	-5,697	-6,349
Net revenue	11,808	11,533	11,902
COST/INCOME RATIO	**51.3%**	**49.4%**	**53.3%**

Loan-to-deposit ratio	12/31/2023	12/31/2022	12/31/2021
Net customer loans	336,388	322,279	286,482
Customer deposits	299,302	283,689	274,257
OVERALL COST OF CUSTOMER RISK RELATED TO OUTSTANDING LOANS	**112.4%**	**113.6%**	**104.5%**

Coverage ratio of non-performing loans	12/31/2023	12/31/2022	12/31/2021
Provisions for impairment of non-performing loans	-6,010	-5,302	-5,068
Gross receivables subject to individual impairment (S3)	12,600	10,828	9,740
COVERAGE RATIO OF NON-PERFORMING LOANS	**47.7%**	**49.0%**	**52.0%**

Total coverage ratio	12/31/2023	12/31/2022	12/31/2021
Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans	-8,609	-8,003	-7,724
Gross receivables subject to individual impairment (S3)	12,600	10,828	9,740
TOTAL COVERAGE RATIO	**68.3%**	**73.9%**	**79.3%**

Non-performing loan ratio	12/31/2023	12/31/2022	12/31/2021
Gross receivables subject to individual impairment (S3)	12,600	10,828	9,740
Gross customer loans	344,997	330,281	294,205
NON-PERFORMING LOAN RATIO	**3.7%**	**3.3%**	**3.3%**

Overall cost of customer risk related to outstanding loans	2023	2022 proforma	2021
Cost of customer risk	-1,279	-743	-647
Gross customer loans	344,997	330,281	294,205
TOTAL CUSTOMER COST OF RISK AS A PERCENTAGE OF OUTSTANDING LOANS (IN BASIS POINTS)	**37**	**22**	**22**

2.3.2 Recent developments and outlook

2.3.2.1 Events after the reporting period

Changes in the governance of Crédit Mutuel Alliance Fédérale whose main subsidiaries are owned by BFCM

After ten years as Chairman, Nicolas Théry will step down in April 2024 and will propose the appointment of Daniel Baal, Chief Executive Officer with whom he has formed a duo since 2017, to succeed him.

Nicolas Théry will therefore propose to the Chambre syndicale (Parliament of the Fédération du Crédit Mutuel Centre Est Europe), to the Board of Directors of Caisse Fédérale de Crédit Mutuel (parent entity of Crédit Mutuel Alliance Fédérale) and to the General Meeting of the Confédération Nationale du Crédit Mutuel, which will meet on April 4 and 5, the appointment of Daniel Baal as Chairman of the Centre Est Europe federation, Crédit Mutuel Alliance Fédérale and the National Confederation.

In addition, on November 23, 2023, the Board of Directors of Banque Fédérative du Crédit Mutuel noted the end of Daniel Baal's term of office as Chief Executive Officer with effect from December 31, 2023, and appointed Mr. Eric Charpentier as Chief Executive Officer - effective manager, with effect from January 1, 2024.

MREL

The Crédit Mutuel group (the "group", "Crédit Mutuel") has received notification of its new minimum requirement for own funds and eligible liabilities applicable on a consolidated basis at the level of the resolution group, which is composed of the central body (Confédération Nationale du Crédit Mutuel), its affiliated entities including Banque Fédérative du Crédit Mutuel, and all their subsidiaries (the "MREL requirement").

Crédit Mutuel's external MREL requirement is set at 21.92% of the group's risk-weighted assets (the "RWA") and at 6.53% of the leverage ratio exposure. This requirement must be met with the group's consolidated own funds and eligible liabilities directly issued by the central body and its affiliated entities.

The subordinated MREL requirement is set at 15.36% of the RWA and at 6.53% of the leverage ratio exposure.

The group largely covers global and subordinated requirements with its shareholders' equity and senior non-preferred outstandings.

2.3.2.2 Outlook

In December 2023, Crédit Mutuel Alliance Fédérale launched its new 2024-2027 strategic plan ENSEMBLE PERFORMANT SOLIDAIRE (TOGETHERNESS PERFORMANCE SOLIDARITY), which aims to strengthen its development ambitions to put its financial performance at the service of society.

This performance will be put at the service of society with the societal dividend (15% of the net income of Crédit Mutuel Alliance Fédérale), which was operational from 2023 and will reach full speed in 2024. By 2027, €2.5 billion should be mobilized for the ecological transformation and social and regional solidarity.

2.4 BFCM ACTIVITIES AND PARENT COMPANY RESULTS

2.4.1 BFCM business activities

BFCM has several key business activities:

- central refinancing for Crédit Mutuel Alliance Fédérale;
- depository for Crédit Mutuel Alliance Fédérale's undertakings for collective investments;
- parent company of Crédit Mutuel Alliance Fédérale's subsidiaries and coordination of their activities.

Central refinancing

Please refer to section "2.2.2.5.2 Liquidity and refinancing" in this chapter.

Depository for undertakings for collective investment (UCIs)

Building on the strength of the Crédit Mutuel Alliance Fédérale group, the custodian plays the essential role of preserving the interests of unitholders. In this framework, it implements its system through the following regulatory missions:

- custody of assets: custody (mainly traditional securities) and register-keeping (forward financial instruments and other financial instruments), which are provided by the specialized structures of Crédit Mutuel Alliance Fédérale;
- ensuring the regulatory compliance of management decisions;
- cash flow monitoring.

It may also perform the contractual duty of liability management, when this is delegated by the management company.

At the end of December 2023, BFCM was the custodian of 1,126 UCIs totaling €82.7 billion in assets. The number of UCIs increased by 57 units. The amount of outstandings deposited increased by 11.5% compared to the end of 2023 with the increase in the equity markets, the resumption of the inflows of money market UCIs, the increase in the outstandings of securitization undertakings and the positive effects of the entry into relationships with new Private Equity management companies.

Slightly down, the large majority of UCIs deposited at BFCM (92.7% in outstandings) are managed by the Crédit Mutuel Alliance Fédérale's management companies notably Crédit Mutuel Asset Management, as well as Crédit Mutuel Gestion, Crédit Mutuel Impact, CIC Private Debt and Dubly Transatlantique Gestion.

The other UCIs are managed by management companies outside of the Crédit Mutuel Alliance Fédérale.

The highlights of 2023 are as follows:

- the integration of the CCS Services Corporate teams within the custodian function following the dismantling of the structure;
- following the SPOT mission on the entry and monitoring of the relationship with management companies conducted by the AMF in 2022, the mission closing letter was sent to BFCM on March 22, 2023;
- the custodian's control plan and the internal control plan were fully covered for all the topics concerned;
- ISAE 3402 Type 2 certification of custodian supervision was renewed for the period from October 1, 2022 to September 30, 2023. Coverage of the control plan reached 100%. No reservations were made;
- BFCM took part in market meetings, in particular of the Custodian Group and the Legal Observatory of France Post Marché;
- BFCM is regularly approached by new asset management companies. The portfolio of external customers increased in compliance with the acceptance rules laid down by the procedures;
- BFCM is a key player in the merger of Crédit Mutuel Alliance Fédérale's asset management companies as part of the "Ensemble Gestion" (Managing together) project.

2.4.2 Management report on BFCM's annual financial statements

2.4.2.1 The balance sheet

The balance sheet adopted on December 31, 2023 totals €237.8 billion, a decrease of 3.4% compared to the previous fiscal year.

On the liabilities side, the debts to credit institutions totaled €92.8 billion and mainly consisted of term loans to organizations of the group, demand accounts (€23.6 billion) and securities given under repurchase agreements in the context of TLTRO (€11.7 billion). Term loans to organizations of the group stand at €52.4 billion, the majority of which come from resources collected by its subsidiary Crédit Mutuel Home Loan SFH (€32.6 billion) and by CIC and its regional banks (€19 billion).

Amounts due to customers totaled €13.5 billion. This item is mainly composed of demand accounts in credit (€13.2 billion) and term deposits and borrowing from financial customers (€0.3 billion).

Securities liabilities totaled €100.6 billion and are composed of securities in the interbank market (€1.6 billion), negotiable debt instruments (€32.8 billion), bonds and monetary EMTNs (€66.2 billion).

The amount of deeply subordinated notes was €0.6 billion. BFCM did not make any issues or redemptions during the fiscal year.

The funds for general banking risks, amounting to €61.6 million remained stable from one fiscal year to the other. All of the shareholders' equity and equivalent stood at €15.3 billion on December 31, 2023 (including the 2023 profit of €1.1 billion) against €913.6 million at the end of 2022.

On the assets side, the central treasury of Crédit Mutuel Alliance Fédérale group was reflected by receivables held on credit institutions at €139.4 billion. The refinancing granted to Caisse Fédérale de Crédit Mutuel (CF de CM) represents €29.1 billion, in order to supply the loans distributed by the Crédit Mutuel banks and to ensure the liquidity of CF de CM. Banque Fédérative's term refinancing activity also extends to Banque Européenne de Crédit Mutuel (€5.5 billion), CIC and its leasing and factoring subsidiaries (€72.3 billion), the COFIDIS group (€14.8 billion), the Factofrance group (€5.4 billion), Beobank (€1.1 billion), Bail Actea (€1.8 billion) and other subsidiaries (€1.3 billion).

BFCM also refinances €1.4 billion of requirements from other groups of Crédit Mutuel.

Client transactions totaled €1.7 billion. This amount corresponds to interventions in credit, mainly oriented towards large companies, and to the refinancing of special purpose acquisition entities for BFCM's long-term equity investments. In addition, included in this item is the net amount of non-performing loans of zero after deducting provisions of €25 million.

Short-term investment securities, investment securities and those ancillary to transactions constitute the other uses of cash (€25.5 billion).

Investments in associates, which stand at €17.4 billion, are mainly composed of equity investments in Targobank in Germany (€5.7 billion), CIC (€4.1 billion), Factofrance (€1.5 billion), Groupe des Assurances du Crédit Mutuel (€1.3 billion) and the Cofidis group (€1.6 billion). The equity investments in listed non-consolidated companies were stable at €0.4 billion.

2.4.2.2 Information on customer and supplier payment terms

Articles L.441-14 and D.441-6 of the French Commercial Code provide for specific information on the maturity dates of debts with regard to suppliers and receivables with regard to customers.

In accordance with subparagraph 8 of Article L.441-6 of the French Commercial Code, the maturity dates of debts with regard to suppliers and receivables with regard to customers of our company do not exceed 45 days from the end of the month or 30 days from the date of issue of the invoice.

Given the status as a credit institution, the information communicated relative to payment deadlines specified by Article D.441-6 of the French Commercial Code do not include the bank transactions and ancillary transactions governed by the French Monetary and Financial Code.

INVOICES RECEIVED AND NOT PAID ON THE REPORTING DATE OF THE FISCAL YEAR FOR WHICH THE DEADLINE IS EXPIRED *(in €)*

	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	TOTAL
Number of invoices	10	1				11
Amount	2,033.40	23,628.00	0.00	0.00	0.00	25,661.40
Percentage of total liabilities	0.00%	0.01%	0.00%	0.00%	0.00%	0.02%

INVOICES RECEIVED THAT WERE SUBJECT TO LATE PAYMENT DURING THE FISCAL YEAR (ARTICLE D.441-4 § II)

There were no significant transactions that were subject to late payment during 2023.

2.4.2.3 Income statement

Interest and similar income amounted to €15.2 billion (€14.4 billion consisting of transactions with credit institutions) and interest and similar expenses stood at €15.1 billion (€12 billion in interest paid to credit institutions and €3.1 billion on securities issued), representing a net interest margin of €55.4 million, against €101.6 million in 2022.

Income from variable-income securities (shares) for €668 million mainly consists of dividends received from subsidiaries of BFCM (€652 million).

The positive impacts on trading books of €9.9 million are mainly due to foreign exchange gains on assets denominated in foreign currencies (€25.1 million) less expenses net of provisions on the swapped bond portfolio (-€15.3 million).

Charges (net of reversals) to provisions for impairment (€91.6 million) and net losses on disposals (-€115.3 million) account for most of the gains and losses on investment portfolios (-€23.7 million).

After accounting for commissions and other operating items, net revenue was €0.7 billion compared to €1.3 billion in 2022.

General operating expenses were down significantly (-1.8%), totaling €91.2 million (compared to €92.9 million in 2022).

In 2023, the cost of risk recorded an amount (net provision) of -€8.4 million.

The balance of gains and losses on non-current assets of +€542.7 million consists of:

- realized and unrealized capital gains and losses on equity investments, mainly corresponding to valuation adjustments, reversals of provisions and disposals.

The corporate income tax item for -€6 million mainly consists of corporate income tax payable for the fiscal year.

2.4.2.4 The Board's proposals to the meeting

Finally, in 2023 BFCM recorded profit of €1.1 billion.

The appropriation proposed to the Shareholders' Meeting covers the following amounts:

- 2023 profit: €1,113,760,465.96;
- retained earnings: €901,666.26;
- representing a total of: €1,114,662,132.22.

It is, therefore, proposed:

- to pay a dividend of €4.87 to each of the 34,302,302 shares existing at December 31, 2023, *i.e.* a total distribution of €167,052,210.74. These dividends are eligible for the allowance specified by Article 158 of the French General Tax Code (*Code général des impôts* – CGI);
- to pay an amount of €383,540 to the legal reserve in order to reach the regulatory ceiling of 10% of the share capital;
- to allocate €947,000,000 to the optional reserve;
- to allocate €226,381.48 to retained earnings.

In accordance with the legal provisions in force, we remind you that the dividends paid per share for the last three fiscal years were as follows:

	2020	2021	2022
Amount in €	€3.02	€6.72	€5.34
Dividend eligible for the deduction provided for in Article 158 of the French General Tax Code (*Code général des impôts* – CGI)	Yes	Yes	Yes

2

2.4.2.5 Financial results of the company over the last five fiscal years

(in euros)	2019	2020	2021	2022	2023
1. CAPITAL AT THE BALANCE SHEET DATE					
a) Share capital	1,688,529,500.00	1 688,529,500.00	1,688,529,500.00	1,711,279,700.00	1,715,115,100.00
b) Number of ordinary shares outstanding	33,770,590	33,770,590	33,770,590	34,225,594	34,302,302
c) Nominal value of shares	€50	€50	€50	€50	€50
2. TRANSACTIONS AND PROFIT (LOSS) FOR THE PERIOD					
a) Net revenue, income from the securities portfolio and miscellaneous	1,998,597,811.55	901,303,696.79	1,537,311,765.31	1,313,378,453.56	676,816,837.30
b) Income before tax, employee share ownership and allocations to depreciation, amortization and provisions	1,866,736,070.27	952,920,846.80	738,192,649.26	1,271,627,782.10	-74,086,726.23
c) Income taxes	-141,414.89	70,286.50	-30,957,764.70	4,173,644.70	-6,048,009.60
d) Employee share ownership due pursuant to the fiscal year	164,089.45	172,342.04	253,920.45	250,684.28	184,143.30
e) Profit/(loss) after tax, employee share ownership and allocations to depreciation, amortization and provisions	2,003,541,913.11	679,724,686.90	1,229,991,596.22	913,623,423.18	1,113,760,465.96
f) Distributed profit	300,558,251.00	101,987,181.80	229,995,991.68	182,764,671.96	167,052,210.74
3. EARNINGS PER SHARE					
a) Profit/(loss) after tax and employee share ownership but before allocations to depreciation, amortization and provisions	55.27	28.21	21.14	37.27	-2.34
b) Profit/(loss) after tax, employee share ownership and allocations to depreciation, amortization and provisions	59.33	20.13	36.42	26.69	32.47
c) Dividend assigned to each share over the full year	8.90	3.02	6.72	5.34	4.87
d) Dividend allocated to the new share issued as part of the capital increase of January 6, 2022			6.72		
4. STAFF					
a) Average workforce employed during the fiscal year	69	71	72	81	97
b) Amount of the payroll expense for the fiscal year	7,815,574.59	8,657,266.62	7,798,169.22	8,095,927.91	9,323,689.70
c) Amounts paid pursuant to social benefits for the fiscal year (Social Security, social work)	3,521,611.95	4,066,721.55	3,665,573.31	3,868,942.46	4,343,443.71

NB: The amount of corporate income tax indicated also includes tax due pursuant to the fiscal year, with movements on provisions relating to these taxes. This change results from the application of the principles defined by CRC Regulation No. 2000-03, which applies from the 2001 fiscal year.

The aim of **Terre de Liens**, an association that helps farmers and new entrants to farming, is to make the process of setting up a business a little easier. The Crédit Mutuel Alliance Fédérale Foundation has joined forces with **Terre de Liens** to implement a number of projects to support the transfer of farmland through the rural environmental lease scheme.

3

Social and Mutualist Responsibility

.3

3.1 PREAMBLE

Under Article L.225-102-1 of the French Commercial Code, Crédit Mutuel Alliance Fédérale is responsible for preparing, for the 2023 fiscal year, a consolidated non-financial performance statement in accordance with the legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies.

This statement incorporates information required by Articles L.225-102-1, R.225-105-1 and R.225-105, Articles 70 and 173 of the law pertaining to energy transition for green growth of August 17, 2015, Article 14 of the law pertaining to combating food waste of February 11, 2016, Sapin 2 Law No. 2016-1691 of December 9, 2016, Article L.225-102-4 of the law of March 27, 2017, pertaining to the duty of vigilance by parent companies and sourcing companies, Article 8 of the Taxonomy Regulation 2020/852 (NFRD), SFDR regulation (known as Disclosure) of December 9, 2019, Article 29 of the French energy and climate law.

3.2 PRESENTATION

3.2.1 Crédit Mutuel Alliance Fédérale scope

Grouped under the name Crédit Mutuel Alliance Fédérale, the mutual banking division (or regulatory perimeter) and the Banque Fédérative du Crédit Mutuel (BFCM) and its subsidiaries are complementary and linked. BFCM is the group's holding company. Its capital is held by the local banks and Caisse Fédérale de Crédit Mutuel (CFCM). It manages Crédit Mutuel Alliance Fédérale's cash and operates on the financial markets. It works with companies and local authorities in the processing of flows, credit and specialized financing transactions and deals with relations with international partners. It manages the equity investments held in all the specialized subsidiaries that support the banks' operations.

In view of this organization, the information required in the non-financial performance statement is given below in the name of CFCM on behalf of Crédit Mutuel Alliance Fédérale. CFCM holds the collective accreditation (banking code 10 278) for all the affiliated local banks and is the head of the group comprising BFCM and its subsidiaries as defined in Articles L.233-3 and L.233-16 of the French Commercial Code.

Crédit Mutuel Alliance Fédérale includes companies that are not individually obliged to publish a specific report:

- for the regional banks of CIC and CIC, a specific report is published in their annual financial report;
- for the technology division:
  - Euro-Information Services,
  - Euro-Information Développements,
  - Euro-Information Production,
  - Euro-Information,
  - Euro-Protection Surveillance;
- for the press division, mainly:
  - *Le Dauphiné Libéré,*
  - *Groupe Progrès,*
  - *L'Est Républicain,*
  - *Les Dernières Nouvelles d'Alsace,*
  - *Est Bourgogne Médias,*
  - *L'Alsace,*
  - *Le Républicain Lorrain,*
  - *Liberté de l'Est.*

In line with Crédit Mutuel Alliance Fédérale's organization, the companies in the technology division and the press division are the subject of a separate declaration, available in this document.

The complete list of Crédit Mutuel Alliance Fédérale entities, press and technology divisions taken into account for the NFPS is provided at the end of the report.

The scope used for the collection and consolidation of this report represents 98% of the consolidated scope in terms of workforce on the payroll at December 31, 2023. In general, entities that are excluded from the scope are those which do not consume energy and have no employees as well as CIC's foreign subsidiaries other than Banque de Luxembourg and Banque de Luxembourg Investments SA.

The federations, Caisse Fédérale de Crédit Mutuel and the subsidiaries

The local banks belong to a federation. Depending on where the local banks are located, the federation is either an association governed by the law of July 1, 1901, or, for those located in the French departments of Haut-Rhin, Bas-Rhin and Moselle, an association subject to the locally applicable Civil Code.

As a strategic planning and control body, the federation represents Crédit Mutuel in its region.

Regarding regulatory, technical and financial aspects, CFCM holds the collective banking accreditation that benefits all affiliated local banks, in accordance with the French Monetary and Financial Code, and which are members of the federation.

CFCM is responsible for the group's solvency and liquidity, as well as its compliance with banking and financial regulations.

On behalf of the local banks, CFCM therefore performs financial functions such as liquidity management and also provides technical, legal and IT services either directly or through insurance, IT or leasing subsidiaries.

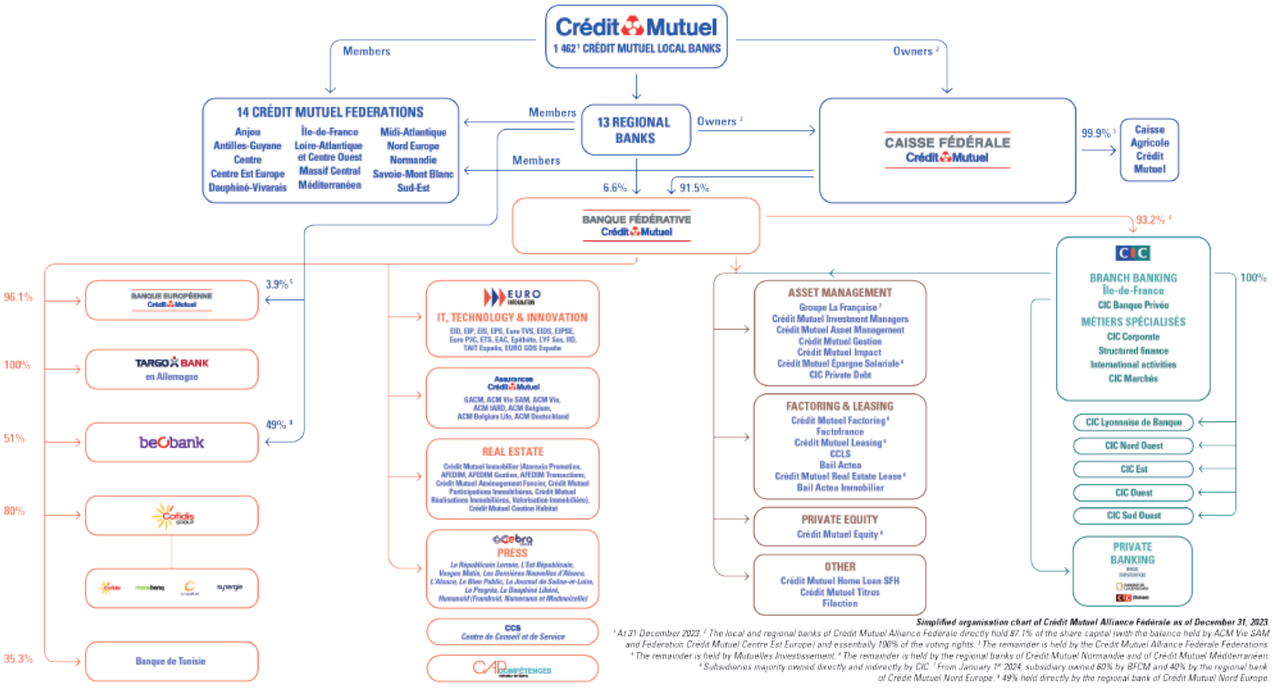
Pursuant to the French Monetary and Financial Code, each Crédit Mutuel regional group is organized around a federation, a regional bank and all the local banks that are affiliated to the federation and use the same banking code (CIB) as CFCM.

The regulatory scope comprises 14 Crédit Mutuel federations that have forged partnerships authorized by the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority) and grouped within CFCM:

- Crédit Mutuel Centre Est Europe – CMCEE – (Strasbourg);
- Crédit Mutuel Île-de-France – CMIDF – (Paris);
- Crédit Mutuel Midi-Atlantique – CMMA – (Toulouse);
- Crédit Mutuel Savoie-Mont Blanc – CMSMB – (Annecy);
- Crédit Mutuel Sud-Est – CMSE – (Lyon);
- Crédit Mutuel Loire-Atlantique et Centre-Ouest – CMLACO – (Nantes);
- Crédit Mutuel Normandie – CMN – (Caen);
- Crédit Mutuel Méditerranéen – CMM – (Marseille);
- Crédit Mutuel Dauphiné-Vivarais – CMDV – (Valence);
- Crédit Mutuel Centre – CMC – (Orléans);
- Crédit Mutuel Anjou – CMA – (Angers);
- Crédit Mutuel Antilles-Guyane – CMAG – (Fort-de-France);
- Crédit Mutuel Massif Central – CMMC – (Clermont-Ferrand);
- Crédit Mutuel Nord Europe – CMNE – (Lille).

Each local bank is a member of the federation of its geographic region and each federation is autonomous within its territory.

SIMPLIFIED ORGANIZATION CHART OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE



Simplified organisation chart of Crédit Mutuel Alliance Fédérale as of December 31, 2023.

[1] At 31 December 2023. [2] The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights. [3] The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations. [4] The remainder is held by Mutuelles Investissement. [5] The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen. [6] Subsidiaries majority owned directly and indirectly by CIC. [7] From January 1st 2024, subsidiary owned 60% by BFCM and 40% by the regional bank of Crédit Mutuel Nord Europe. [8] 49% held directly by the regional bank of Crédit Mutuel Nord Europe.

3.2.2 Crédit Mutuel Alliance Fédérale's business model

As a cooperative and mutualist bank, Crédit Mutuel Alliance Fédérale is committed to responsibility, proximity and solidarity and demonstrates its ability to build collectively for the common good. Capitalizing on the proven power of technology, Crédit Mutuel Alliance Fédérale's business model is decentralized, relationship-driven and integrated across the regions.

Crédit Mutuel Alliance Fédérale's business model and strategic priorities are described in the introduction of this universal registration document.

3.2.3 Crédit Mutuel Alliance Fédérale: the first benefit corporation bank

In 2020, Crédit Mutuel Alliance Fédérale adopted a *raison d'être* in line with its values: *Ensemble, écouter et agir* (Listening and acting together).

Pursuant to a collaborative initiative launched with its mutualist elected members and employees, it is the first benefit corporation bank, with five long-term commitments that aim to assert its identity and its values, and to mobilize expertise and energy around a shared momentum:

- as a cooperative and mutualist organization, we support our customers and members in their best interests;
- as a bank for all, members and customers, employees and elected members, we act for everyone and refuse any discrimination;
- respectful of everyone's privacy, we place technology and innovation at the service of people;
- as a solidarity-based company, we contribute to regional development;
- as a responsible company, we actively work for a fairer and more sustainable society.

These five missions are based on 15 concrete commitments to be achieved.

The monitoring of the execution of these commitments is entrusted to a Mission Committee which will ensure that the company implements the resources, governance and ambition necessary to advance in its missions. It draws on the expertise of its members in order to formulate recommendations on areas for work and possible medium-term initiatives.

The Mission Committee presents an annual report attached to the management report to the Shareholders' Meeting. The implementation of social and environmental objectives is verified by an independent third party, which issues an opinion attached to the Mission Committee's report.

These commitments enhance those of Crédit Mutuel Alliance Fédérale's SMR (Social and Mutualist Responsibility) approach and, more specifically, commitments #12 and #13 related to the group's climate strategy and its environmental ambition to align its activities with the trajectory of the Paris Agreement. [1]

(1) *A cross-reference table between the commitments of the benefit corporation, the objectives of the 2019-2023 strategic plan and those of the SMR policy can be found at the end of Section 3.3 of this chapter.*

THE 15 COMMITMENTS

Benefit corporation 1st BANK

MISSION 1

As a cooperative and mutualist organization, we support our customers and members in their best interests.

 # 1 Bring democracy to life in the bank **by doubling the number of members voting at Shareholders' Meetings**

 # 2 Guarantee to each customer **a dedicated, non-commissioned advisor**

 # 3 Give more place to young people and get closer to parity on boards of directors from 2022

MISSION 2

A bank for all, members and customers, employees and elected representatives, we act for everyone and refuse any discrimination.

 # 4 Train all our employees and elected members in **the fight against discrimination**

 # 5 **Recruit 25% work-study students** in priority **neighborhoods and rural areas**

 # 6 **Defend gender equality** at all levels of the bank

MISSION 3

Respectful of everyone's privacy, we place technology and innovation at the service of people.

 # 7 Guarantee the privacy of our customers' data **by processing 99.9% of their information in our infrastructures and systems located in France**

 # 8 **Invest productivity gains** from artificial intelligence in employment and development

MISSION 4

As a solidarity-based company, we contribute to regional development.

 # 9 Anchor decision-making centers in the regions **with more than 90% of our lending decisions taken at branches**

 # 10 **Offer the PayAsso digital payment solution to our associations and civil liability coverage** to their managers

 # 11 **Invest 5% of our equity mainly in innovative French companies**

MISSION 5

As a responsible company, we actively work for a more fair and sustainable society.

 # 12 **Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12%** by the end of 2022

 # 13 **Immediately stop funding for new oil and gas projects**

 # 14 **Insure the real estate loans of our loyal customers without any medical formalities**

 # 15 **Commit to customers in financial difficulty with an account at €1 net per month without any incident fees**

Societal Dividend

In 2023, Crédit Mutuel Alliance Fédérale created the societal dividend to work even harder for a more sustainable and united world. Each year, the group will mobilize 15% of its net income.

The societal dividend is dedicated to three types of action:

- investment through the Fonds de Révolution Environnementale et Solidaire. This fund invests in production facilities and infrastructures designed to protect the environment and promote solidarity;
- the deployment of inclusive banking and insurance services;
- support for major environmental and social causes at local, regional and national level, notably through the Crédit Mutuel Alliance Fédérale Foundation.

In 2023, the societal dividend amounted to €439 million.

In 2023, Crédit Mutuel Alliance Fédérale was awarded the Grand Prix de la Good Economie and the gold prize in the "Contributing to a socially responsible, mutually supportive and local impact" category for its implementation of the societal dividend. The group was also awarded a prix d'or for the €1 net per month solidarity account in the "Promoting social impact - Products & Services" category.

3.2.4 Governance and strategic orientation of Crédit Mutuel Alliance Fédérale

Crédit Mutuel Alliance Fédérale is a group of strong values. Its CSR policy, deliberately renamed Social and Mutualist Responsibility (SMR) in 2016, is in line with its identity, which consists of democracy, proximity, economic and social development, mutual assistance and solidarity. Crédit Mutuel has been a member of the United Nations Global Compact since 2003.

Crédit Mutuel Alliance Fédérale's SMR policy is focused on five goals including 15 commitments. This strategy supplements the group's development goals by incorporating social, societal and environmental issues into the activities of the group's entities.

In order to consolidate the group's SMR strategy, work was undertaken to draw a parallel between these five ambitions and the UN's Sustainable Development Goals (SDGs) adopted in 2015. This work led to the selection of the SDGs which correspond to the strategic objectives of Crédit Mutuel Alliance Fédérale and those where significant leverage is possible. All of Crédit Mutuel Alliance Fédérale's entities (France perimeter) were asked to participate in this project on a voluntary basis.

The methodology involved creating a questionnaire to correlate the categories of the 17 SDGs with the SMR actions in order to evaluate the contribution made to each SDG.

The results enabled to select six SDGs (numbers 3, 4, 5, 8, 9 and 13), whose challenges correspond to the group's SMR commitments.

Since 2019, Crédit Mutuel has also been a signatory of the Principles for Responsible Banking (PRB) of the UNEP FI (Financial Initiative of the United Nations Environment Program). It then joined two thematic initiatives carried out as part of the PRB: the Net-Zero Banking Alliance (NZBA) on climate and universal financial inclusion.

3.2.4.1 Crédit Mutuel Alliance Fédérale's SMR governance

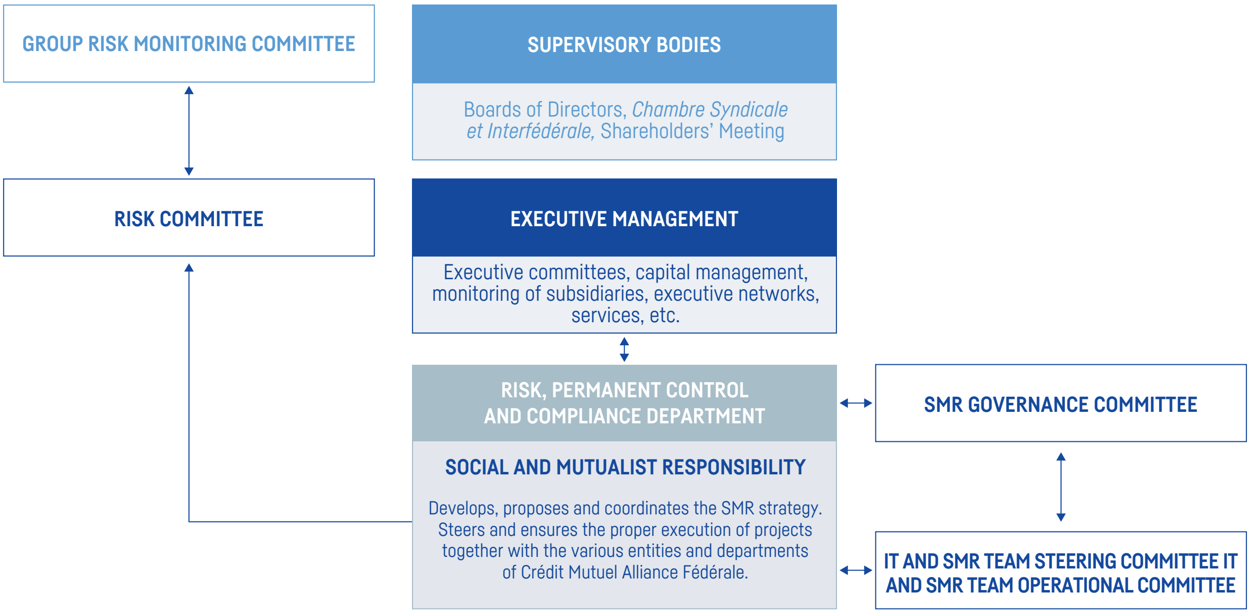
Crédit Mutuel Alliance Fédérale's corporate governance system in terms of CSR brings together all group functions and relies on the SMR department, which reports to the risk, permanent control and compliance department. This strategic positioning reflects the desire of Crédit Mutuel Alliance Fédérale's governance to identify social, societal and environmental issues as risk factors whose treatment will ensure the proper execution of the SMR strategy.

Crédit Mutuel Alliance Fédérale's SMR policy is based on responsible and committed governance. Its volunteer directors actively contribute to the life of the group in accordance with the rules of independence, ethics and integrity. The SMR action plan is validated by a dedicated working group of the *Chambre syndicale et interfédérale*, a decision-making body that brings together the elected chairpersons of the local and regional banks and federations, and the managing directors at least twice a year. This working group is presided over by the Chairman of Crédit Mutuel Alliance Fédérale.

Since 2021, due to the increasing number of SMR issues, an SMR Governance Committee has been set up. It is coordinated by the risk department and is made up of the group's main effective managers and business managers. It is presided over by the Chief Executive Officer of Crédit Mutuel Alliance Fédérale and the Chairman of Crédit Mutuel Alliance Fédérale participates as a guest.

This committee recommends strategic orientations, approves the roadmap and ensures its proper execution.

GOVERNANCE STRUCTURE

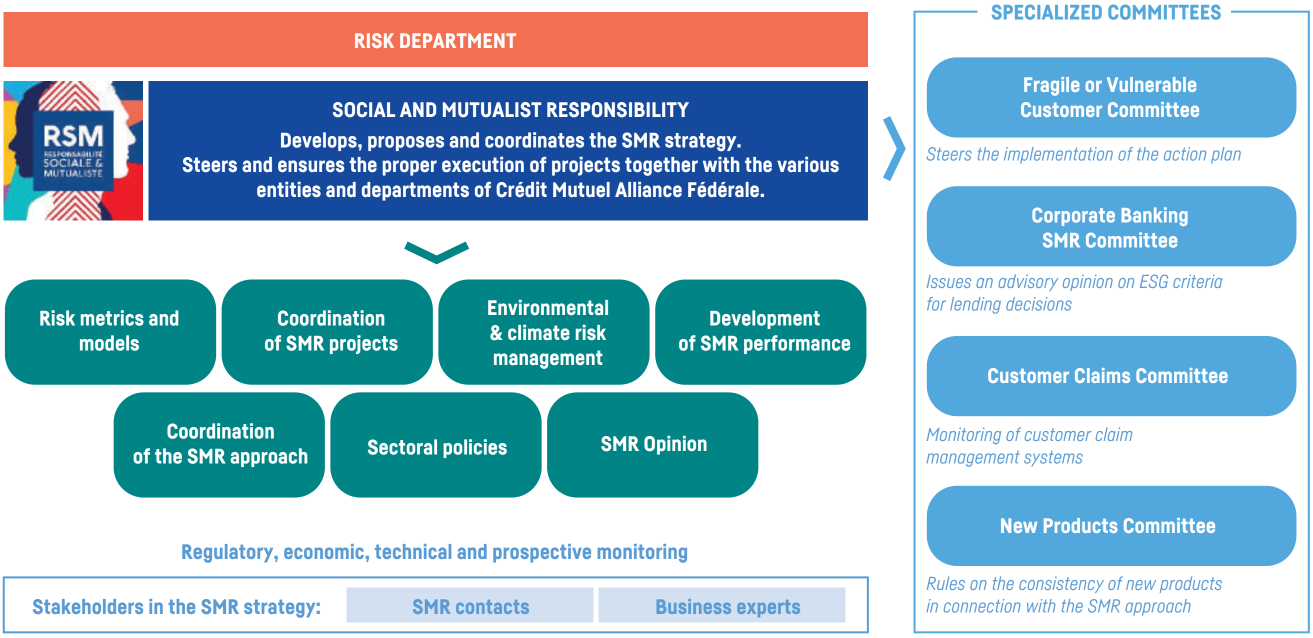


Role and responsibilities of the SMR division

The main missions and objectives of the SMR division are to:

- define and implement Crédit Mutuel Alliance Fédérale's SMR policy for all Crédit Mutuel Alliance Fédérale entities and business lines;
- steer Crédit Mutuel Alliance Fédérale's environmental, social and governance (ESG) risk management system together with CNCM's risk department, in order to meet the prudential regulations and requirements in force, in particular by implementing appropriate procedures for the decision-making and reporting tools and reporting used by group entities (sectoral policies in particular);
- coordinate and ensure the proper execution of SMR projects alongside of business line experts (HR, logistics, IT, sales, compliance, etc.);
- report on the actions carried out to the SMR Governance Committee and to the executive (group Risk Committee) and supervisory (group Risk Monitoring Committee) bodies of Crédit Mutuel Alliance Fédérale;
- attend various specialized committees: Fragile or Vulnerable Customer Committee, Customer Claims Committee, New Products Committee, corporate banking SMR Committee, Operations and Steering Committees with Euro-Information;
- monitor and ensure relations with non-financial rating agencies and other stakeholders;
- coordinate the network of SMR contacts responsible, within the various Crédit Mutuel Alliance Fédérale entities and structures, for disseminating the group's SMR policy among employees and elected members;
- communicate and train group employees to improve the appropriation of policies and action plans related to ESG issues.

Schéma de gouvernance RSM



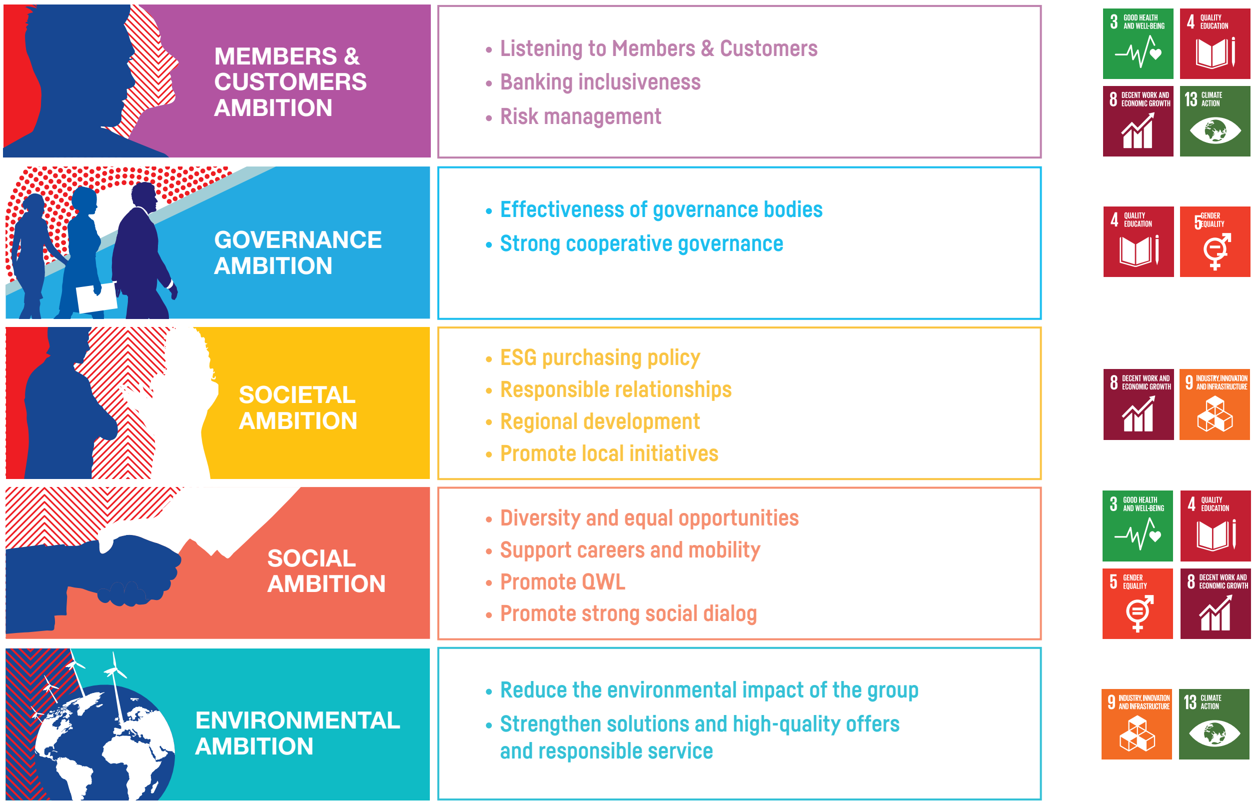
Following the creation of the *Institut Mutualiste pour l'Environnement et la Solidarité*, the group's future center of expertise in environmental, social and governance issues, the governance structure changed in 2024.

3.2.4.2 Structured SMR policy based on five ambitions

- Members and customers ambition;
- Governance ambition;
- Societal ambition;
- Social ambition;
- Environmental ambition.

The SMR policy, which is based on five ambitions comprising 15 commitments, reflects Crédit Mutuel Alliance Fédérale's values and highlights its environmental, social and societal priorities. Each entity deploys these SMR commitments and adapts them to its business lines. By drawing on this collective mobilization based on responsibility and autonomy, the development of the SMR strategy guarantees the coherence of group actions at the regional level.

THE SMR POLICY



With regard to the fight against climate change, Crédit Mutuel Alliance Fédérale's aim is to join the trajectory of the Paris Climate Agreement, which aims to limit temperature rises to between 1.5 and 2°C by 2100.

In addition, Crédit Mutuel Alliance Fédérale endorses the commitment signed by CNCM to join the Net Zero banking alliance organized by the United Nations [1] to support the global transition of the real economy towards net zero emissions.

In 2023, Crédit Mutuel Alliance Fédérale strengthened its commitments to the preservation of biodiversity and joined Act4Nature International.

The SMR policy integrated in the strategic plans, is a vehicle for performance and sustainable solidity. It takes the form of quantified ambitions, namely in the 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin !* [together#today's world, faster, further!]:

- 100% of employees trained in transformation [2];
- gender equality in management and governance positions;
- membership rate in excess of 90%;
- reduction of more than 30% [3] in the group's carbon footprint [4];
- increase in funding for projects with a high climate impact (renewable energies) of 30%;
- 15% reduction in the carbon footprint of customer portfolios [5].

At December 31, 2023, the results were as follows:

- 97.5% of employees are trained in digital transformation;
- the rate of representation of women in management and governance positions is 44.5% for managers [6] and 36% for Management Committees;
- the membership rate was 82.3%;
- the direct carbon footprint (without offsetting) decreased by 30.4% between 2018 and 2022;
- the corporate portfolio's carbon footprint decreased by 57.6% between 2018 and 2023;
- financing for projects with a high climate impact (renewable energies) rose by 79.6%.

(1) https://presse.creditmutuel.com/credit-mutuel-devient-la-premiere-banque-mutualiste-francaise-a-rejoindre-lalliance-bancaire-net-zero-organisee-par-les-nations-unies/

(2) Scope of Cap Compétences including the Crédit Mutuel Alliance Fédérale federations, CIC banks, French social base subsidiaries and certain foreign subsidiaries. In the denominator: employees on open-ended contracts as of October 31, 2023 of the group's entities under the common social base. Apprentices, work-study students and professional training contracts are excluded, as are employees who were absent (long-term absences, maternity leave, end-of-career leave, unpaid leave) as of December 31, 2023. In the numerator: employees identified as trained who were able to follow these training courses until December 31, 2023, with the exception of employees who joined the group after October 31, 2023 and therefore not registered for the training.

(3) Calculation methodology: ISO 14 064 standard, excluding certification part.

(4) France scopes 1, 2 & 3 energy consumption, refrigerants, motor fleet and business travel.

(5) Corporate loans and investment portfolios in asset management and insurance.

(6) Permanent contracts present under the single status as of 12/31/2023.

The 2019-2023 strategic plan

Revised strategic plan objectives as of 12/31/2023	100%	50/50	>90%	-30%	+30% / -15%
	Employees trained in transformation	Gender equality in management and governance positions	Membership rate	Reduction of the group's carbon footprint [1]	Increased funding for projects with a high climate impact / Reduction of the customer portfolio carbon footprint [2]
Progress report at 12/31/2023	97.5%	Managers 44.5% Management Committee 36%	82.3%	-30.4%	+79.6% / -57.6% [3]

(1) France scope, emissions related to energy consumption, refrigerant gas leaks, business travel and the car fleet at 12/31/2022.
(2) Corporate customer portfolio, asset management and insurance.
(3) The decrease indicated concerns the carbon footprint of the corporate customer portfolio.

For employees trained in transformation, this is the scope of Cap Compétences including the Crédit Mutuel Alliance Fédérale federations, CIC banks, French social base subsidiaries and certain foreign subsidiaries. In the denominator: employees on open-ended contracts as of October 31, 2023 of the group's entities under the common social base. Apprentices, work-study students and professional training contracts are excluded, as are employees who were absent (long-term absences, maternity leave, end-of-career leave, unpaid leave) as of December 31, 2023. In the numerator: employees identified as trained who were able to follow these training courses until December 31, 2023, with the exception of employees who joined the group after October 31, 2023 and therefore not registered for the training. For gender equality in management positions, these are permanent contracts with single status as of December 31, 2023.

In the new 2024-2027 strategic plan TOGETHERNESS PERFORMANCE SOLIDARITY, published in December 2023, certain ambitions reflect Crédit Mutuel Alliance Fédérale's determination to lead the environmental and societal revolution together:

- more than 75% of employees and elected members proud of their company;
- 50% of women managers;
- 50% women in the group's governance [1];
- more than 30% of work-study students recruited from priority neighborhoods and rural areas;
- 15% of the group's net income invested each year in the societal dividend;
- 20% reduction in the carbon footprint of the balance sheet [2];
- 100% of employees and elected representatives committed to the ecological transformation.

(1) Group Management Committees, Boards of Directors and Supervisory Boards of Crédit Mutuel Alliance Fédérale's umbrella organizations. Ambition expressed as an average for the group. Each entity's individual objectives take into account the realities of the job market in which they operate.
(2) Scope: all loan and investment portfolios.

Change in non-financial rating

Each year, Crédit Mutuel Alliance Fédérale responds to questionnaires from non-financial rating agencies to assess its environmental and social actions and its governance model following a continuous improvement approach. Since 2020, the group has obtained a C rating from ISS ESG and has been awarded the Prime status reserved for the best-rated companies in their industry. In addition, with a score of 64/100, Moody's ESG assessment confirms Crédit Mutuel Alliance Fédérale's ranking as one of Europe's best-rated banks. Lastly, Sustainalytics consolidated the group's position with a low ESG risk score of 19.7.

	Moody's ESG	Sustainalytics	MSCI	ISS ESG
Scale	Assessment of ESG criteria 0 – 100	Assessment of ESG risk [2] 0 – 40	Assessment of ESG criteria CCC – AAA	Assessment of ESG criteria D- – A+
Note	64	19,7	AA	C
Date of last revision	2023	2023	2023	2021

(1) Non-financial rating agencies rate the BFCM entity taking into account the full scope of Crédit Mutuel Alliance Fédérale.
(2) The rating scale of the Sustainalytics agency has been modified in favor of a risk analysis methodology (0 to 10: negligible; 10 to 20: low; 20 to 30: medium; 30 to 40: high; > 40: severe).

3.3 NON-FINANCIAL RISKS AND OPPORTUNITIES OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

Methodology applied to create a mapping of environmental, social and governance risks (ESG)

The risk department has a mapping of group risks that makes it possible to apprehend all of the factors that might affect activities and their performance. This mapping is the starting point for work led by a dedicated team to identify, assess and prioritize the ESG implications for the group. The approach implemented in 2018, inspired by the CSR reporting methodological guide published by MEDEF, is based on the collaborative work of the risk and SMR teams. It consisted in identifying, on the basis of expert opinion, the risk factors for each ESG area.

In 2020, the expert risk rating procedure was reviewed based on quantitative indicators common to all Crédit Mutuel Alliance Fédérale entities. This procedure is designed to grade risks based on the probability of their occurrence, their level of impact and the possibility of not detecting them.

The rating scale ranges from 1 (very significant risk) to 5 (very low risk). The score achieved may be adjusted upwards or downwards by one notch only and based on expert advice. This quantified methodology was also used to review the ratings of the ESG risk mapping. The results had not led to any changes to the classification of significant ESG risks previously identified.

The mapping of significant ESG risks also features risk prevention and mitigation measures as well as the main performance indicators. It is approved by Crédit Mutuel Alliance Fédérale's Risk Committee (executive body) and the Risk Monitoring Committee (deliberative body).

In addition, climate risks are included in the mapping of significant ESG risks, in line with those carried out at Confédération Nationale du Crédit Mutuel level. They include physical and transition risks, which may also lead to further losses arising, directly or indirectly, from legal claims ("liability risk") and reputational losses resulting from the fact that the public, counterparties and/or the bank's investors associate the bank with negative environmental impacts ("reputation risk").

Note that, reputational risk (like legal risk) is non-quantifiable given that a negative perception of the group may result in a breach of trust that could modify the behavior of its various partners (customers, investors, suppliers, employees, regulators, etc.) and be seen as the consequence of other risks (financial, operational, credit and commercial in particular). Crédit Mutuel Alliance Fédérale manages reputational risk through other risks. However, the threat of damage to reputation may have significant consequences. That is why Crédit Mutuel Alliance Fédérale carefully evaluates the possible consequences of various risks (preventive measures) and ensures proper functioning of a crisis unit when a proven risk to reputation arises.

MAPPING OF SIGNIFICANT ESG RISKS

Non-financial information category	Significant non-financial risks	Prevention measures
GOVERNANCE		
Lack of training of elected members	■ Risk of decisions incoherent with the strategy of the group	■ Training plan designed for each profile of elected members
Lack of attractiveness of membership	■ Risk of compromise of the mutualist model	■ Coordination of cooperative life ■ Encouraging the involvement of elected officials in local life
Lack of advice for customers Unsuitable goods and services sold	■ Risk of losing customers	■ Regular quality measurements ■ Satisfaction survey ■ Adaptation of offerings
SOCIAL		
Transformation of skills Lack of employee training	■ Risk of non-compliance of banking and insurance operations	■ Significant training budget (> 6% of payroll expense) ■ Specific training related to insurance products ■ Support for all employees in the digital transformation
Demotivation of staff (management, professional recognition, QLW, etc.)	■ Risk of non-respect of procedures ■ Risk of failure to advise customers/prospects – Loss of net revenue	■ Internal employee support system (regular interviews, group charters and agreements, measures to improve QLW, etc.)
SOCIETAL		
Lack of awareness of the ESG issues in the group purchasing policy	■ Risk of non-respect of the vigilance plan	■ Compliance with the purchasing policy ■ Signing of the supplier charter
Malice in the handling of customer/prospect banking operations	■ Risk of internal and/or external fraud ■ Risk of conflicts of interest ■ Risk of information theft	■ Strengthening of control procedures for banking and insurance transactions
Breakdown in IT security	■ Risk of downtime in bank IT systems ■ Risk of cybercrime ■ Risk of non-respect of General Regulation on the protection of customer data	■ IT Security Committee ■ ISO 27001 certification ■ Employee training on GDPR
FIGHT AGAINST CORRUPTION		
Non-respect of procedures	■ Risk of corruption	■ Regular employee training ■ Internal control
HUMAN RIGHTS		
Controversies over the non-respect of human rights	■ Risk of exposure through banking and insurance activities ■ Risk of non-respect of the vigilance plan	■ Contractual clauses ■ Crisis management system ■ Monitoring assisted by a scoring tool ■ Monthly reporting and establishment of a list of excluded securities for asset management ■ Communication of the vigilance plan
ENVIRONMENTAL		
Absence of dedicated SMR governance	■ Regulatory risk (poor application of regulatory texts)	■ CSR commitments of Crédit Mutuel Alliance Fédérale ■ Approval of decisions by the Boards of Directors of the umbrella bodies ■ Dedicated organization with correspondents in each entity
Lack of consideration for the carbon footprint of the group's entities in the exercise of their activities	■ Reputation risk ■ Regulatory risk	■ Carbon footprint offsetting mechanism ■ ISO 50001 certification process (energy management)
Failure to take into account specific rules governing high greenhouse gas-emitting sectors in lending and investment management	■ Risk of losing customers and attractiveness (impact on net revenue)	■ Sectoral policies & inclusion of ESG criteria when granting loans and in investment operations
Absence of prevention measures to reduce the carbon footprint of banking and investment transactions	■ Financial risk (depreciation of controversial securities in the portfolio)	■ Deployment of the Climate strategy for coal and unconventional hydrocarbon activities
Lack of consideration for risks associated with climate change	■ Transition risk ■ Physical risk ■ Responsibility for climate and environmental issues	■ Exploratory approach to climate risk assessment: Implementation of limits by country including climate and ESG risks

(1) Posternak Ifop barometer: https://www..creditmutuel.com/actualites/prix-et-recompenses/barometre-postemak-ifop/credit-mutuel-banque-preferee-francais-novembre-2023.html

(2) The claims recorded are only those of Crédit Mutuel Alliance Fédérale's scope in France, which are the only ones subject to ACPR requirements.

Non-financial information	Performance indicators
GOVERNANCE	
■ Training rate of elected members (Chapter 3.5.2)	■ Training rate of local elected members: 80.8%
■ Membership rate (Chapter 3.5.2 – GOUV62; GOUV63; GOUV65)	■ Membership rate: 82.32%
■ Posternak Ifop (1) barometer (Chapter 3.4.1) ■ Complaints monitoring indicator (Chapter 3.4.1)	■ Claims monitoring indicator: 40,255 claims recorded in 2023 for the 14 federations belonging to Caisse Fédérale de Crédit Mutuel and CIC banks
SOCIAL	
■ Training indicators (Chapter 3.7 – SOC46; SOC47; SOC48; SOC50) ■ Percentage of employees who have validated training courses for insurance products ■ Transformation training rate (Chapter 3.7.2)	■ Training indicators (i) SOC46: amount of payroll expense invested in training: €204.4 million; (ii) SOC47: percentage of payroll expense dedicated to training: 5.6%; (iii) SOC50: number of hours devoted to training: 2.7 MH ■ Rate of employees having completed insurance product training: 97% of registered employees[3] completed their insurance training in 2023 ■ Transformation training rate: 97.5% of employees trained in digital transformation[4]
■ Rate of job rotation (Chapter 3.7) ■ Absenteeism indicator – number of days of absence (Chapter 3.7 - 3.9.1 - 3.10.1 SOC38; SOC39; SOC40; SOC41)	■ Rate of job rotation: 4.4%, excluding foreign entities and group mobility ■ Absenteeism indicator - number of days of absence: 843,342 excluding foreign entities of the La Française Group
SOCIETAL	
■ Number of supplier charters signed (Chapter 3.6.1)	■ Number of supplier charters signed: nearly 4,800 charters were signed by CCS and Euro-Information suppliers
■ Percentage of total claims for the year related to external fraud or internal fraud (Chapter 3.4.3)	■ Percentage of total claims for the year related to external or internal fraud: internal fraud and external fraud totaled €42.3m and accounted for 33.2% of total claims ■ At ACM level: 1,369 fraudulent files in France and abroad
■ Availability rate of primary TP applications(3) ■ Impact of claims > €1,000 (Chapter 3.11.3.3 – 3.9.2) ■ Rate of training in GDPR (Chapter 3.11.3.3)	■ Availability rate of primary TP applications[5]: 99.82% ■ Impact of claims > €1,000: 331 claims (324 in 2022) ■ Rate of training in GDPR: 63% of employees have completed an e-learning course on the GDPR and CNIL in its entirety
FIGHT AGAINST CORRUPTION	
■ Percentage of employees trained in the fight against corruption (Chapter 3.11.3.5)	■ Percentage of employees trained in the fight against corruption: 71% of training was performed by the employees in question in 2023
HUMAN RIGHTS	
■ Number of alerts from the “Option to report” tool (Chapter 3.11.3.4 – Audited but unpublished data)	■ Number of alerts from the “Option to report” monitoring tool: monitored but unpublished data
ENVIRONMENTAL	
■ **Three SMR indicators** included in the 2019-2023 *ensemble#nouveaumonde* (together#today'sworld) strategic plan: Human and Mutualist indicators (Chapter 3.2.4.2):	
■ **GHG emissions:** five-year goal of 30% reduction in the group's carbon footprint (Chapter 3.2.4.2 and 3.8.1)	■ Percentage change in the group's office life scope carbon footprint in France concerning energy, refrigerant gas leaks, business travel and vehicle fleets: decrease of 30.4% between 2018 and 2022
■ **Growth rate of renewable energy project financing commitments** (Chapter 3.8.3)	■ Percentage change in renewable energy project financing commitments: overall increase of 79.6% between 2018 and 2023
■ **GHG emissions of the corporate asset management and insurance portfolios:** five-year target of a 15% reduction in the carbon footprint of customer portfolios (Chapter 3.2.4.2 and 3.8.1)	■ Percentage change in the corporate portfolio's carbon footprint: 57.6% decrease between 2018 and 2023
■ Monitoring of exposures eligible for sectoral policies ■ Quarterly monitoring of limits by country	

(3) Scope of Federations, French banks and subsidiaries, some foreign subsidiaries.

(4) Scope of Cap Compétences including Crédit Mutuel Alliance Fédérale federations, CIC banks, French social base subsidiaries and certain foreign subsidiaries. In the denominator: employees on open-ended contracts as of October 31, 2023 of the group's entities under the common social base. Apprentices, work-study students and professional training contracts are excluded, as are employees who were absent (long-term absences, maternity leave, end-of-career leave, unpaid leave) as of December 31, 2023. In the numerator: employees identified as trained who were able to follow these training courses until December 31, 2023, with the exception of employees who joined the group after October 31, 2023 and therefore not registered for the training.

(5) TP: Transaction Processing – Major applications used by the banking network and customers.

Integration of climate risks

Definitions

Climate and environmental risks are commonly considered to include two main risk factors: physical risk and transition risk [1](source ECB):

- physical risk refers to direct losses caused by climate change (including the increase in extreme weather events and gradual changes in climate) and environmental deterioration (such as air, water and soil pollution, water stress, biodiversity loss and deforestation);
  - physical risk can be described as acute when it results from extreme events, such as drought, floods and storms, and as chronic when it results from gradual changes, such as rising temperatures, sea level rise, water stress, biodiversity loss and resource scarcity,
  - it may have direct consequences, such as damage to property or reduced productivity, or indirect consequences, such as disruption of supply chains;
- transition risk refers to the financial losses that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon economy and more sustainable from an environmental point of view. It may arise, for example, from the relatively sudden adoption of climate and environmental policies, technological progress or changes in market behavior and preferences.

During the first half of 2021, climate risks were included in Crédit Mutuel Alliance Fédérale's general risk mapping:

- physical risk: this risk has been classified as level 4 (low risk), because the exposures are generally located in areas deemed to be of low vulnerability with regard to currently available climate change scenarios, mainly in France where there is an effective risk-taking system taking into account natural disasters. Insurance coverage also limits the risk for the bank;
- transition risk: this risk was classified as level 4 (low risk), in view of an estimate of limited losses over the next 2-3 years (forward-looking aspect of the mapping, in line with the ICAAP). [2]

The update of the risk map for 2023 saw the inclusion of liability risk linked to climate and environmental issues, with the same rating level as physical and transition risks, rated at 4.

The assessment of the impacts of climate risks is reviewed annually to ensure that the level selected is consistent with the various updated exposure analyses of these risks in the portfolio. The 2023 risk mapping update exercise saw the confirmation of climate and environmental risk ratings.

(1) *ECB Guide to climate and environmental risks: Prudential risk management and reporting requirements: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.202011finalguideonclimate-relatedandenvironmentalrisks~58213f6564.en.pdf*

(2) *ICAAP: Internal Capital Adequacy Assessment Process.*

Projection of climate risks included in Crédit Mutuel Alliance Fédérale's mapping of significant ESG risks

Crédit Mutuel Alliance Fédérale continued to participate in the materiality matrix update undertaken by the Crédit Mutuel group. The work carried out in 2023 aimed in particular to strengthen the integration of sectoral axes in the analysis and to enrich the transmission channels between climate risks and different risk categories of the national risk map. Crédit Mutuel Alliance Fédérale then applied it to its own scope.

This materiality matrix aims to propose an appropriate detection and measurement process to assess the materiality of the climate-related and environmental risks that weigh on its business. The study of the significance of climate risks is carried out in light of Crédit Mutuel Alliance Fédérale's risk appetite and the relative nature of its risk exposures.

Thus, an assessment of the impact of physical and transition risks was established on:

- three time horizons (short-term, medium-term, long-term);
- all risk categories in the overall risk mapping;
- a three-tiered scale (tier 1: low risk; tier 2: medium risk; tier 3: high risk).

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: PHYSICAL RISK 1/2

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME – SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	RISK MITIGATION MEASURE
■ High exposure to sectors or companies highly exposed to physical risk ■ Lack of anticipation or inadequate response by the authorities and the group to take this risk into account	■ Payment default ■ Deterioration of the financial situation of certain customers ■ Decline in value of real estate property collateral ■ Deterioration in the quality of the portfolio, resulting in a drop in the price of the portfolio	CREDIT RISKS	Low	Average	Substantial	■ Identification of the impact of physical risks by business line and geographic area, through quantitative and prospective studies, and identification of risk transmission channels. ■ ICAAP process and stress tests
■ High physical exposure of the group due to the frequency and intensity of climatic events (natural disasters) ■ Lack of anticipation or inadequate response to customer needs and stakeholder expectations	■ Supply chain disruptions, unavailability of tools and the production process due to the occurrence of a natural disaster ■ Physical damage to production and processing assets ■ Risk of losing customers if they consider that the company is not doing enough for the environment – failure to advise, unintentional failure ■ Risk of fines/lawsuits for climate inaction	OPERATIONAL RISKS	Low	Average	Substantial	■ Group internal procedure for business continuity ■ Monitoring of claims related to natural disasters ■ Monitoring the exposure of the group's buildings to climatic hazards ■ Group decarbonization commitments ■ Sectoral policies ■ Integration of climate risk in the risk appetite framework

Scale - impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: PHYSICAL RISK 2/2

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Lack of anticipation or inadequate response to take this risk into account in relation to the markets	■ Devaluation of portfolios (equities, bonds, government bonds)	**MARKET RISKS**	Low	Average	Average	■ Strict market risk limit system ■ Regulatory watch ■ Introduction of indicators to break down assets by ESG rating
■ High exposure to sectors or companies highly exposed to physical risk	■ ECB intervention in the markets	**INTEREST RATE RISK**	Low	Low	Low	■ Steering by the BFCM central treasury
■ High exposure to sectors or companies highly exposed to physical risk	■ Withdrawal of deposits and savings by customers following a claim, increase in balance sheet imbalance, decrease in liquidity buffers	**LIQUIDITY RISK**	Low	Low	Low	■ Risk limitation policy for liquidity and refinancing management based on risk aversion through indicators, some with limits and thresholds specified in the ILAAP
■ High exposure to sectors or companies highly exposed to physical risk	■ Increase in the number of claims and the type of claims in connection with climate change ■ Inaccurate pricing of insurance policies	**CONGLOMERATE INSURANCE RISKS**	Low	Low	Average	■ Activity diversified between life and non-life insurance business ■ Identification in the portfolio of securities, bonds held in companies most exposed to physical risk ■ Monitoring of the expected evolution of losses related to natural disasters ■ Work to identify the impact of physical risks on the real estate portfolio
■ Lack of anticipation or inadequate response by the authorities to take this risk into account	■ Devaluation of the group's portfolio	**EQUITY AND INVESTMENT RISKS**	Low	Low	Average	■ Work to identify the impact of physical risks by geographic area
■ Lack of anticipation or inadequate response by the authorities to take this risk into account	■ Decrease in net revenue, financial income and increase in accounting provisions ■ Financial impact following changes in regulations	**STRATEGIC AND BUSINESS RISK**	Low	Low	Average	■ Adapting to regulatory developments ■ Work to identify the impact of physical risks by business lines and geographic area ■ ICAAP process

Scale - impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: TRANSITION RISK 1/3

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Inadequacy of customers' business models and technology to address emerging climate issues ■ Financing on a controversial counterparty	■ Risk of payment default ■ Risk of impairment of existing assets ■ Risk of deterioration in the value of collateral ■ Deterioration in the quality of the portfolio, resulting in a drop in the price of the portfolio	CREDIT RISKS	Low	Substantial	Average	■ Identification of sectors with exposures sensitive to climate risks ■ Integration of ESG criteria in lending decisions and identification of energy performance diagnostics (DPE) on real estate assets ■ Climate risk optimization process within the risk appetite framework ■ Credit policy with alert thresholds and/or limits ■ Process of integrating climate risk into risk mapping ■ Coal phase-out plan ■ Stop funding any new oil and gas exploration, production and infrastructure projects ■ Target to reduce the carbon footprint of the corporate, asset management and insurance portfolios by 15% between 2019 and 2023 ■ Application of sectoral policies ■ Development of ICAAP and stress test processes to take account of climate and environmental risks

Scale - impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: TRANSITION RISK 2/3

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURERIDER 6
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Lack of environmental products and services offers due to lack of knowledge/skills to structure offers ■ Financing or investment on a controversial counterparty ■ Non-inclusion of climate criteria in lending/ investment decisions ■ Non-compliance with environmental and climate commitments	■ Risk of losing customers ■ Lack of external attractiveness ■ Legal risks ■ Damage to trust that modifies the behavior of the various partners (customers, investors, suppliers, employees, regulators, etc.) towards the bank ■ Failure to meet the environmental objectives of the strategic plan	**OPERATIONAL RISKS**	Low	Average	Average	■ Creation of a range of loans to promote eco-mobility and the energy transition of professionals, companies, farmers and individuals ■ Development of impact loans ■ Strengthening employee skills ■ Coal phase-out plan ■ Stop funding any new oil and gas exploration, production and infrastructure projects ■ Target to reduce the carbon footprint of the corporate, asset management and insurance portfolios by 15% between 2019 and 2023 ■ Application of sectoral policies ■ Climate strategy objectives: alignment of activities with the climate trajectory
■ Financing on a controversial counterparty ■ Inadequacy of customers' business models and technology to address emerging climate issues	■ Risk of impairment of existing assets for non-compliance with environmental regulations ■ Devaluation of portfolio value (equities, bonds, etc.)	**MARKET RISKS**	Low	Average	Average	■ Exclusion policy ■ Application of sectoral policies ■ Strict market risk limit system
■ Accentuation over time of regulatory requirements and investor requirements with regard to issuers and the selection of assets eligible for issuance	■ Issue success uncertain	**INTEREST RATE RISK**	Low	Low	Low	■ Regulatory watch ■ Incentive commercial policy in favor of the energy transition of customers

Scale - impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: TRANSITION RISK 3/3

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Financing or investment on a controversial counterparty ■ Inadequacy of customers' business models and technology to address emerging climate issues	■ Risk of asset impairment ■ Devaluation of portfolio value (equities, bonds, etc.)	LIQUIDITY RISK	Low	Low	Low	■ Exclusion policy ■ Application of sectoral policies ■ ILAAP process ■ Monitoring of the portfolio's ESG ratings, with the introduction of a materiality threshold for ratings below D
■ Financing on a controversial counterparty ■ Increasingly restrictive regulatory impact on the real estate sector	■ Devaluation of portfolio value (equities, bonds, etc.) ■ Weakening of mortgage repayment capacity (potential claims)	CONGLOMERATE INSURANCE RISK	Low	Low	Average	■ ESG policy and sustainability policy ■ Monitoring the weight of investments in emissive sectors ■ Diversification of the activity between life insurance, savings products, protection insurance, borrower insurance
■ Inadequacy of business models and technology to address emerging climate issues for portfolio companies ■ Financing on a controversial counterparty	■ Devaluation of the group's portfolio	EQUITY AND INVESTMENT RISKS	Low	Low	Low	■ Group ESG policy
■ Lack of environmental products and services offers due to lack of knowledge/skills to structure offers ■ Lack of definition of the climate trajectory: non-inclusion of climate criteria in the granting of loans/investment decisions ■ Rapid changes in standards and regulations ■ Disruption of the competitive environment and strategic disruption ■ Non-application of regulatory and supervision systems due to regulatory pressure	■ Loss of customers: strategic and financial risk ■ Impact on shareholders' equity and consequently on the solvency ratio ■ Strengthening of teams, use of service providers, development of tools to comply with new regulatory requirements and new standards ■ Changes in the business model that may affect profitability standards ■ Regulatory default that could pose a threat to the environment and populations	STRATEGIC AND BUSINESS RISK	Average	Substantial	Average	■ Development of an offer meeting customer support needs ■ Process for integrating climate risk into the risk mapping and risk appetite framework ■ ISO 50001 certification ■ Search for appropriate technical skills in the group's various business lines

Scale - impact measurement: Low Average Substantial

Biodiversity materiality matrix

With the aim of assessing and understanding the impact of risks linked to the erosion of biodiversity on "traditional" banking risks, Crédit Mutuel Alliance Fédérale has contributed to a project led by the Confédération Nationale de Crédit Mutuel (CNCM). The work undertaken has resulted in a materiality matrix assessing the impact, over several time horizons, of biodiversity-related risks on certain "classic" risks in Crédit Mutuel Alliance Fédérale's risk mapping.

Definition: ecosystem services, physical risk, transition risk

Ecosystem services are the benefits that human activities derive from their interactions with ecosystems. They are generally classified into three categories: provisioning services (drinking water, various resources such as wood or agricultural crops, etc.), regulating services (soil erosion prevention, natural carbon sequestration, soil fertility, etc.) and cultural services (recreation, symbolic value, etc.). The quality or quantity of the services provided by ecosystems depends in particular on their biodiversity. The notion of ecosystem services thus makes it possible to understand the dependence of economic activities on biodiversity.

Physical risk refers to the financial losses caused by a decline in biodiversity. It results from the degradation of nature and the partial or total loss of the ecosystem services on which a given economic activity depends. It can be acute (zoonosis, localized leakage of pollutants, etc.) or chronic (progressive decline of pollinators, etc.).

A business player's transition risk describes the risk of a misalignment between its practices - in this case, on biodiversity issues - and the expectations or positioning of its stakeholders (regulatory authorities, investors, public opinion, customers, technological innovation, etc.).

Scenarios: projecting the state of biodiversity

Nature - *i.e.,* ecosystems and their biodiversity - is experiencing a downward trend on an unprecedented scale, as a result of human activities. Understanding this erosion requires characterizing its current and future impacts on the activities of Crédit Mutuel Alliance Fédérale.

The TNFD scenarios [1] provide a reference framework for understanding the long-term state of nature and the reactions of human societies to its degradation. For the purposes of the biodiversity risk materiality matrix, Crédit Mutuel Alliance Fédérale used this reference framework and selected two scenarios:

- Scenario no. 3 Sand in the gears for the analysis of physical risk. In this scenario, the degradation of ecosystem services is severe, and society's stakeholders have no orderly response to this erosion;
- Scenario no. 1 Ahead of the game for transition risk analysis. In this scenario, society's stakeholders deploy coordinated measures to ensure a moderate decline in biodiversity.

Characterizing the links between biodiversity and financial institutions

The analysis of the impact of biodiversity erosion on Crédit Mutuel Alliance Fédérale's activities required the identification of transmission channels - which make it possible to establish the links of dependence between economic activities (of Crédit Mutuel Alliance Fédérale and/or its customers) and ecosystems - and then an assessment of the impact of the degradation - or even disappearance - of ecosystem services on the "classic" risk factors of Crédit Mutuel Alliance Fédérale's risk mapping.

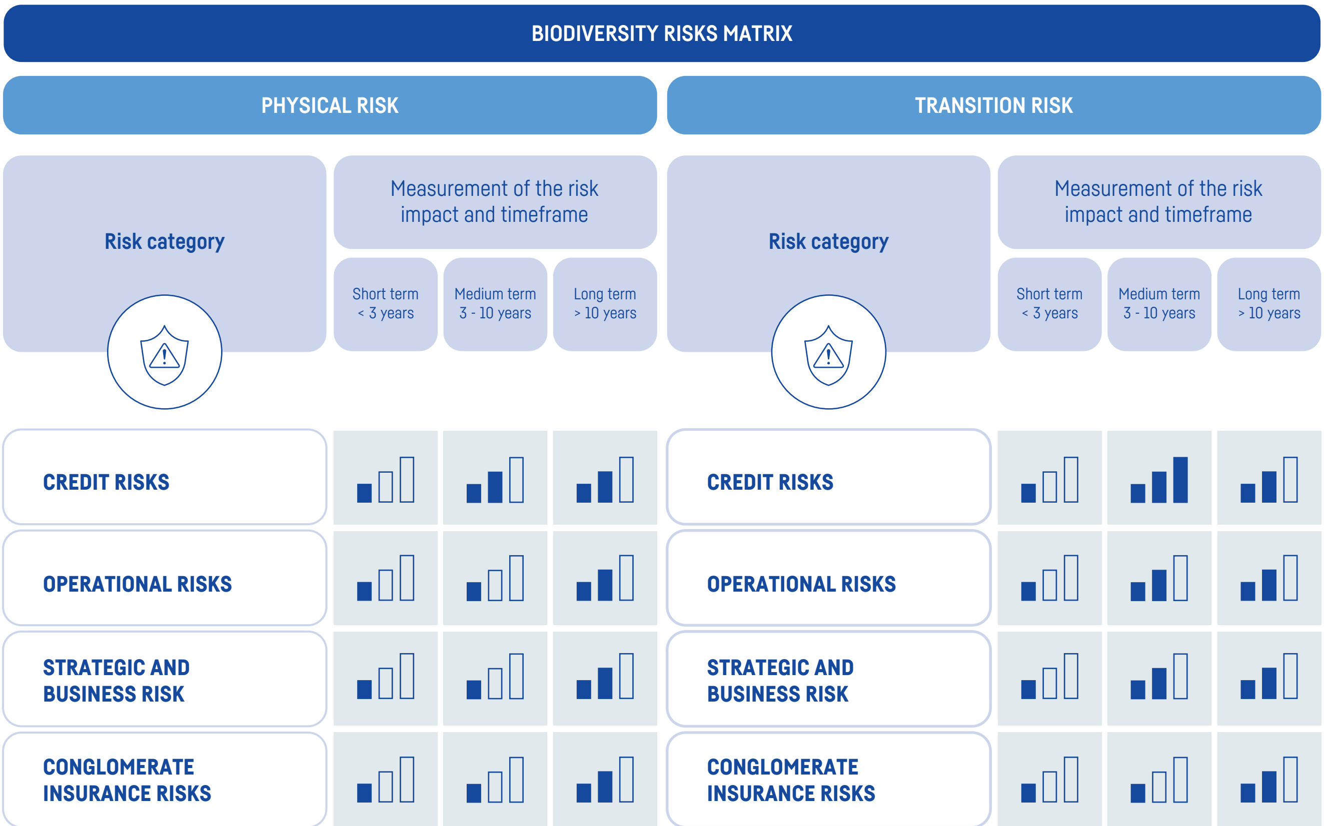
For this first exercise, Crédit Mutuel Alliance Fédérale set out to assess the impact of biodiversity erosion on credit risk, operational risk, conglomerate insurance risk, and strategic and business risk.

Risk factors and impact on national risk mapping risks

The assessment of additional risk factors resulting from biodiversity erosion is based on the production of qualitative indicators, the identification and evaluation of transmission channels, and the biodiversity scenarios mentioned above. A significant proportion of the qualitative indicators used are based on data from the ENCORE database (Exploring Natural Capital Opportunities, Risks and Exposure, https://www.encorenature.org/en).

In Crédit Mutuel Alliance Fédérale's biodiversity materiality matrix, the impact of biodiversity erosion on "classic" risks is assessed on a three-tier rating scale from low to high impact.

(1) Taskforce on Nature-related Financial Disclosures.



The biodiversity risk materiality matrix will be reviewed annually.

Commitments of the benefit corporation/mapping of significant ESG risks/objectives of the 2019-2023 strategic plan – Cross-reference table

ANALYSIS GRID

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
Name of the mission	Identification of the SMR commitment in connection with the mission	Identification of ESG risks in connection with the benefit corporation mission	**Benefit corporation mission/** SMR ambition/ESG risks	Measurement of indicators **Benefit corporation mission/** SMR ambition/ESG risks

Measurement of performance indicators:

Strategic plan: Annual measurement. Achievement of the target by 2023.

Benefit corporation: Annual measurement. Achievement of the target by 2022.

MISSION 1: As a cooperative and mutualist organization, support customers and members in their best interests.	**MEMBERS & CUSTOMERS AMBITION** Listening to customers		■ **Guarantee to each customer a dedicated, non-commissioned advisor (Commitment #2 – mission 1)**	■ **Monitoring of the networks' customer portfolios to meet the objective** ■ **No commissions paid to advisors**
		■ Risk of losing customers (lack of customer advice, unsuitable goods and services sold)	■ Process and analyze complaints/satisfaction questionnaires	■ Number of claims
		■ Risk of internal and external fraud (malice in the handling of customer/prospect banking operations)	■ Secure banking transactions	■ Total internal and external claims for the year ■ Percentage compared to the total amount of claims
		■ Risk of downtime in bank IT system (failure of information systems security)	■ Provide quality service	■ Rate of availability of primary TP applications
	GOVERNANCE AMBITION Strong cooperative governance	■ Risk of unattractive membership	■ **Bring democracy to life in the bank by doubling the number of members voting at Shareholders' Meetings (Commitment #1 – mission 1)**	■ **Change in the number of members voting at the Shareholders' Meetings of the local banks: x2 compared to 2020**
		■ Risk of compromise of the mutualist model	■ Mobilize members	■ Membership rate Objective: rate of 90% ■ Number of connections to AGORA
			■ **Give more room to young people and move closer to parity on the Boards of Directors from 2022 (Commitment #3 – mission 1)**	■ **Number of young people elected during the year** ■ **Change in the number of members voting at the Shareholders' Meetings of the local banks** → **Objective: increase the number of young people X 2 compared to 2020**

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 2: **As a bank for all, customers and employees, we act for everyone and refuse any discrimination.**	**SOCIAL AMBITION** Diversity and equal opportunities		■ **Recruit 25% work-study students in priority neighborhoods and rural areas. (Commitment #5 - mission 2)**	■ **% of work-study students recruited from neighborhoods and rural areas between 2019 and 2024** → **Objective: 25% of work study students recruited from neighborhoods and rural areas** ■ **% of work-study students recruited on permanent contracts**
			■ **Train all our employees and elected members in the fight against discrimination (Commitment #4 – mission 2)**	■ **% of employees trained in the fight against discrimination** → **Objective: 100% of employees trained in the fight against discrimination**
			■ **Defend gender pay equality at all levels of the bank (Commitment #6 – mission 2)**	■ **Difference between the average compensation of men and women in France by classification level and by age group** → **Objective: equal pay for men and women by age group and classification level**
	SOCIAL AMBITION Support careers and mobility	■ Risks of non-compliance of banking and insurance operations (skills transformation, lack of employee training)	■ Develop the employability and skills of employees through training	■ % of payroll expense dedicated to training ■ Number of hours dedicated to training ■ % of employees who have taken insurance training ■ % of employees having followed the “digital passport” and/or the "relational visa" training course → Target 100% of employees

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
	SOCIAL AMBITION Promote QWL	■ Risk of non-respect of procedures ■ Risk of failure to advise ■ Loss of net revenue (demobilization of employees)	■ Implement the framework agreement on quality of life at work and remote working in each entity concerned	■ Rate of job rotation ■ Number of days of absence ■ Number of entities that have set up remote work
	SOCIAL AMBITION Promoting social dialog		■ Maintain an ongoing dialog with trade unions	■ Number of group agreements signed during the year
	GOVERNANCE AMBITION Effectiveness of governance bodies	■ Risk of decisions inconsistent with the group's strategy (lack of training for elected members)	■ **Train all our employees and elected members in the fight against discrimination (Commitment #4 – mission 2)**	■ Number of mechanisms and training courses available for elected members by level of office (umbrella bodies, local banks, Board Chairs) ■ Number of training hours ■ Training rate of local elected members ■ **% of elected members and employees trained in the fight against discrimination.** → **Target 100%**

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 3: **Respectful of everyone's privacy, we place technology and innovation at the service of people.**	**MEMBERS & CUSTOMERS AMBITION** Risk management	■ Risk of non-respect of General Regulation on the protection of customer data	■ **Guarantee the privacy of our customers' data in processing 99% of their information in our infrastructures and systems located in France (Commitment #7 – mission 3)**	■ % of employees trained in GDPR ■ **% of information processed on infrastructures and systems located in France and operated by Euro-Information** → **Target: 99.9% of customer information processing on infrastructures and systems located in France**
	MEMBERS & CUSTOMERS AMBITION Listening to customers		■ **Invest productivity gains from artificial intelligence in employment and development (Commitment #8 – mission 3)**	■ **Time savings achieved through the use of AI (in number of FTEs) and increase in headcount between 2019 and 2022**
MISSION 4: **As a solidarity-based company, we contribute to regional development.**	**SOCIETAL AMBITION** Regional development		■ **Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at banks and branches (Commitment #9 – mission 4)**	■ **% of decisions taken at branch-level** → **Objective: more than 90% of credit decisions taken at banks and branches**
			■ Support the associative fabric	■ Change in the number of NPO customers
			■ **Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers (Commitment #10 – mission 4)**	■ **Number of multi Asso insurance taken out during the year with legal protection insurance** ■ **Number of Pay Asso contracts subscribed**
			■ **Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions (Commitment #11 - mission 4)**	■ **% of equity invested in innovative or growing SMEs and mid-sized companies** → **Objective: 5% equity invested in innovative or growing SMEs and mid-sized companies**
	SOCIETAL AMBITION Promoting local initiatives		■ Encourage microloans ■ Sign partnerships in favor of projects for education, sport, music, culture, and professional reintegration	■ Patronage and sponsorship budget

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 5: As a responsible company, we actively work for a fairer and more sustainable society.	**ENVIRONMENTAL AMBITION** Reduce the environmental impact of the group	■ Regulatory risk ■ Reputation risk	■ **Reduce the group's carbon emissions[1] by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022 (Commitment #12 – mission 5)**	■ **Internal carbon footprint** → **Objective: 20% reduction in the group's internal carbon footprint for the energy leakage of refrigerant gases, motor fleet, business travel scope**
		■ Regulatory risk ■ Reputation risk	■ **Reduction of the carbon footprint of corporate insurance and asset management portfolios**	■ **Carbon footprint of the corporate insurance and asset management portfolios** → **Objective: 12% reduction in the carbon footprint of the corporate, insurance and asset management portfolios**
		■ Financial/climate risk	■ **Promote the energy transition by no longer financing new oil and gas projects (Commitment #13 - mission 5)**	■ **Monitoring of exposures eligible for sectoral policies** → **Objective: no new projects in oil and gas. Totally eliminate the financing of coal**
		■ Climate risks	■ Apply exposure limits by country that include climate risks	■ Quarterly monitoring of limits by country
	ENVIRONMENTAL AMBITION Strengthen solutions and high-quality offers and responsible service	■ Risk of losing customers	■ Increase renewable energy financing between 2019 and 2023	■ Change in outstanding amounts of cumulative renewable energy authorizations through project financing → Objective: 30% increase in renewable energy financing between 2019 and 2023

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 5: **As a responsible company, we actively work for a fairer and more sustainable society.**	**MEMBERS & CUSTOMERS AMBITION** Banking inclusiveness		■ Be the bank for all customers: supporting customers in vulnerable situations	■ Number of customers equipped with the Fragile Customer Offer (OCF) Number of employees trained to handle vulnerable customers ■ Number of customers detected
			■ **Insure the real estate loans of our loyal customers without any medical formalities[2] (Commitment #14 – mission 5)**	■ **Number of customers benefiting from the elimination of the health questionnaire**
			■ **Commit to all customers in financial difficulty with an account at €1 net per month with no incident fees (Commitment #15 – mission 5)**	■ **Number of customers in financial difficulty benefiting from the service**
	MEMBERS & CUSTOMERS AMBITION Listening to customers	■ Risk of corruption (non-compliance with procedures)	■ Fight against corruption	■ % of employees trained in the fight against corruption
		■ Risk of exposure through banking and insurance activities	■ Respect human rights	■ Number of alerts
		■ Risk of non-respect of the vigilance plan (controversies over the non-respect of human rights)		
	SOCIETAL AMBITION ESG purchasing policy	■ Risk of non-respect of the vigilance plan (lack of awareness of the ESG issues in the group purchasing policy)	■ Applying the ESG purchasing policy ■ Have suppliers sign the sustainable purchasing charter	■ Number of supplier charters signed

(1) France scopes 1,2,3 energy consumption, refrigerant gas leaks, motor fleet and business travel.

(2) This scheme is reserved for customers whose main income has been with the group for seven years. The insured amount is up to €500,000 per borrower and the policyholder must be under the age of 62 at the time of underwriting.

3.4 MEMBER AND CUSTOMER AMBITIONS

3.4.1 Being attentive to members and customers

The group's objective is to create a lasting relationship with its customers and members. The objective is to ensure that members and customers receive the best advice so that they are always offered the products and services they need.

Ensuring the coherence of offers and control of all advertising messages, as well as providing contractual explanations, respecting members' customers' rights in all circumstances and during collection operations and the rules related to canvassing operations and processing complaints, are issues that concern all team members of the group's entities regardless of their profession.

To measure and enhance the quality of customer relations, the teams in the marketing and sales departments carry out analyses *via* a multi-channel, customer-oriented approach, where clients are asked to voice their opinions throughout their customer experience and encouraged to take part in product creation discussions.

A system including a series of customer satisfaction measures has been rolled out across all Crédit Mutuel Alliance Fédérale entities. This system, managed and coordinated by the sales department, is based primarily on two pillars:

- measuring customer satisfaction *via* multi-year surveys. In 2022, 30,000 individual and professional customers of the Crédit Mutuel and CIC networks took part in a relationship NPS survey. For the first time, customers were asked about a more general and lasting perception of their satisfaction and not as part of an offer or an action. The results provide a barometer of customer relations at all points of contact (local bank/branch, telephone platform, app, etc.) and in various markets (high net worth, professionals, young people, etc.). With extensive local coverage, each federation and each bank also has its own results in order to be able to situate itself and work on its own areas for improvement. Customer recommendation level (NPS score) [1] was high, particularly in the banking sector, regardless of the contact channel;
- measurement of customer satisfaction through immediate surveys. After each appointment, customers are asked to answer a single question on the bank's recommendation rating. If the rating obtained is less than 6/10, a call is scheduled to understand the areas for improvement, correct the expected service and thus improve the customer experience. In addition, the network's branches have a dedicated reporting tool which enables to consult various quantitative indicators, identify problems in the relationship with their customers and implement corrective actions. An additional application is also made available to view customer feedback. These resources deployed in the network's branches serve a single purpose: make quality at top priority in customer relationships.

In addition, the Posternak-Ifop barometer [2] quarterly ranking of companies' corporate image, confirmed Crédit Mutuel's leadership ranking in the banking sector with a score of 48/100 in the fourth quarter of 2023.

In addition, the Crédit Mutuel and CIC networks again won awards at the 2024 Bank Quality Awards [3]. Of the six customer relations channels surveyed, Crédit Mutuel was on the podium six times, and twice received the highest satisfaction rating, for the quality of its advisors for everyday needs and the quality of its advisors for projects. CIC won six awards, including first place for its mobile application.

CIC won the Podium de la Relation Client 2023 [4] for the banking sector. This year's competition dealt with specific subjects related to inflation and responsible customer relations.

(1) The NPS or Net Promoter Score is a loyalty indicator measuring customer recommendation. It is calculated by taking the percentage of promoters (score from 9 to 10) and subtracting the percentage of detractors (score from 0 to 6). The NPS is thus expressed via a number between -100 and +100.

(2) The Posternak-Ifop barometer was created to help companies analyze citizen reactions and consumer behavior. https://www.creditmutuel.com/fr/actualites/prix-et-recompenses/barometre-posternak-ifop-credit-mutuel-banque-preferee-francais-novembre-2023.html

(3) OpinionWay survey for MoneyVox conducted from September 22 to October 16, 2023 among a sample of 5,028 French bankers recruited from a representative sample of the French adult population.

(4) Survey conducted by BearingPoint and Kantar, among a representative national sample of 4,000 French customers aged 18 and over, interviewed online on the quality of the relationship between them and companies in 11 business sectors. https://www.podiumdelarelationclient.fr/podium-2023/

Listening to members and customers of Assurances du Crédit Mutuel

Assurances du Crédit Mutuel carried out satisfaction surveys in 2022, aimed at policyholders, to identify their requests, measure the fulfillment of their expectations and implement appropriate actions. In addition, a "Customer Voice" function for digital services is available to customers in the online insurance space to gather their opinions on digital services. In 2023, it received more than 10,000 reviews with an overall rating of 4.6/5 (January to September): customers praised the access to e-services and the user experience, in particular the ease of navigation and use, the speed of declaring a claim and the simplicity of managing the documents to be provided. In addition, systems are in place to assess the service providers of Assurances du Crédit Mutuel, such as the approved garages, which have a 92% satisfaction rate. Finally, as part of a continuous improvement approach, their 360° customer feedback approach is relayed internally, enabling employees to report any issues they encounter at any time, and to find concrete solutions. This approach to listening to customers is designed to guarantee the excellence of insurance services.

The quality of the products and services offered by Assurances du Crédit Mutuel was also recognized in the French market. In 2022 and 2023, *les Dossiers de l'Épargne* awarded "Labels of Excellence" to ten Crédit Mutuel insurance products: multi-risk property damage & liability, motor insurance, the Privilege and Advantage offers of the savings & retirement insurance, the *plan épargne retraite* (PER - retirement savings plan), the *plan épargne retraite entreprise* (PERE - company retirement savings plan), legal protection insurance, life accident, company health insurance and Multi Asso. In 2023, *Le Revenu* also awarded a Trophée d'Or to the plan épargne retraite (PER - retirement savings plan), and *Tout Sur Mes Finances* gave two Top D'Or awards to the Insurance Plan for Young People and to the savings & retirement insurance Privilege offer. Lastly, the new multi-risk property damage & liability insurance was redesigned in 2023 and obtained the Positive Insurance label from the *Institut de l'Économie Positive* (French Positive Economy Institute).

Processing of claims

For the 14 federations belonging to Caisse Fédérale de Crédit Mutuel and to CIC banks, the number of claims [1] totaled 40,255 in 2023. Claims handled by level 2 represent 0.49 claims per 1,000 customers.

3.4.2 Banking inclusion

Crédit Mutuel Alliance Fédérale is the bank for all customers and is attentive to supporting all those going through difficult life situations, be they structural, social or short-term. The diversity of situations of vulnerability can lead to financial precariousness requiring the implementation of a strategy that is attentive to the populations concerned.

As part of this approach, the entities of Crédit Mutuel Alliance Fédérale undertake, by way of a practical action plan, to respect mutualist values and the professional codes of ethics and compliance. Crédit Mutuel Alliance Fédérale has published a policy in favor of fragile or vulnerable customers.

This policy describes all of the specific commitments made by Crédit Mutuel Alliance Fédérale to promote banking inclusion for customers in a situation of fragility and supplements other customer protection measures designed to foster behavior that is respectful of the interests of customers and good business practices.

A Fragile or Vulnerable Customer Committee guarantees the effective implementation of regulatory obligations and best practices concerning the protection of fragile or vulnerable customers and promotes banking inclusion.

As in previous years, under the aegis of the Fragile or Vulnerable Customer Committee, the implementation of the recommendations of the OIB – Banque de France, the expectations of the public authorities and the recommendations of the ACPR resulting from the due diligence performed in 2019, 2020, 2021 and 2022 concerning vulnerable customers and the cap on bank fees continued.

The most significant developments deployed in 2023:

- predictive detection was refined and is now based on a statistical model interfaced with the debtor management application (SDBI) to encourage the network to support the customers concerned; the performance of the predictive model score is monitored on a quarterly basis to identify any changes that would require the algorithm to be reworked;
- proven detection was extended: the regulatory time limits for detecting customers registered in the Banque de France's FCC files were reduced to 2 months in accordance with the ACPR's requests;
- spontaneous detection is open regardless of any objective criterion of financial vulnerability;
- the exclusion of customer files detected on the basis of bank criteria was controlled: the COMPLY application interface records successive detections to raise awareness among network employees, and thus contributes to better traceability of exclusions;
- a network of vulnerable and fragile customer referents is in place to meet the expectations of the joint ACPR-AMF unit: the referent, who is the main contact for the branches, helps to disseminate and implement good practices with regard to vulnerable and fragile customers (in particular, isolated vulnerable seniors, protected third parties), particularly concerning the marketing of financial savings. It also ensures that commercial and equipment proposals are in line with the needs of the customers concerned. The network has met twice since its creation (including a dedicated training seminar in March 2023).

Action is also being taken to continually enhance the attractiveness of the Fragile Customer Offer - OCF (marketed at a price of €1 since August 1, 2022).

In 2023, as in previous years, Crédit Mutuel Alliance Fédérale entities concerned carried out regulatory reporting incorporating quantitative and qualitative data concerning fragile or vulnerable customers for the ACPR (under the questionnaire on commercial practices and customer protection) and the Observatory for Banking Inclusion.

(1) The claims recorded are only those of Crédit Mutuel Alliance Fédérale's scope in France, which are the only ones subject to ACPR requirements.

In addition, customers insured with ACM benefit from services that simplify their procedures:

- the Avance Santé card exempts ACM policyholders from having to advance their health expenses and thus facilitates access to care. Spouses and children over the age of 15, also covered by the contracts, can obtain this card at no additional cost. The functionalities are regularly enhanced and contactless payment is possible up to €50. In 2023, nearly one million cards were in circulation and over €500 million in health costs were advanced to policyholders. The Avance Santé card features a notch for the visually impaired. It is made of more than 85% recycled materials;
- the pure and simple elimination of medical formalities was put in place in borrower insurance for loyal customers, on real estate loans, as part of the purchase of the main residence in November 2021 (under conditions). At the same time, loyal customers already in the portfolio saw any additional premiums or exclusions related to their health condition waived. Bank customers who have domiciled their main income with Crédit Mutuel Alliance Fédérale for at least seven years, or who already have borrower insurance with ACM for their main residence, for an amount of up to €500,000 per borrower and for a policyholder aged less than 62 years at the time of underwriting, are eligible for this solidarity-based scheme to eliminate medical formalities. This ACM scheme complements the one subsequently introduced by the so-called Lemoine law which, since 2022, has abolished the health questionnaire for loans of up to €200,000 per borrower for a total repayment scheduled before the policyholder's 60th birthday.

Finally, in order to support the associations in their commitment, ACM is mobilizing by offering directors' civil liability insurance to the managers of customer cultural and sports associations, under certain conditions.

FIGURES ON ACTIONS IN FAVOR OF FRAGILE AND VULNERABLE CUSTOMERS

3.4.3 Risk management

Crédit Mutuel Alliance Fédérale provides a high level of continuous training to its employees to ensure them an in-depth understanding of prevention measures related to the fight against money laundering and the financing of terrorism and develops technological solutions, in particular cognitive solutions, to make them even more efficient. Added to this is the willingness of the group to prevent the employees concerned from finding themselves in a situation of conflict of interest and/or corruption by knowing the active and/or passive practices of private players and public agents.

In addition to the measures already in place since 2019, Crédit Mutuel Alliance Fédérale has implemented a vigilance plan [1] to prevent serious harm to human rights, health, personal safety and the environment in the course of its activities. Actions related to the proper application of the vigilance plan are identified in particular with regard to customers – project financing, sectoral policies, etc. – suppliers – group purchasing policy, supplier relations charter, etc. – and employees – internal procedures and preventive measures-.

A whistleblowing system and procedure for reporting the existence or occurrence of risks is in place and a monitoring mechanism to analyze actions has been implemented. The monitoring indicator, overseen by the compliance department, is verified by an independent third party, but not published for reasons of confidentiality.

The group's code of conduct

Implemented by each entity in the group, this registration document, appended to the internal rules, contains the main provisions of applicable agreements, regulations and laws in terms of ethics. It is a reminder of the general principles that must be respected by all group employees in exercising their duties such as:

- the rules and regulations, procedures and internal standards;
- the protection of information (professional secrecy and confidentiality);
- the quality of service to customers (duty to provide advice and information);
- the duty of vigilance in the context of performing transaction for customers;
- integrity and probity;
- the prevention of conflicts of interest;
- the fight against corruption.

It refers to the obligations of employees who hold positions deemed sensitive, especially in Capital Markets, corporate and investment banking, portfolio management and financial analysis, exposing their holders to possible situations of conflict of interest or to possessing confidential and privileged information. To that extent, they are subject to the rules that regulate and limit their personal transactions on financial instruments.

The latest version of the code of conduct, updated in early 2023, was adopted at the end of the legal consultation process with the trade unions. Since 2018, the code includes a chapter dedicated to the fight against corruption, which constitutes the code of conduct in this area.

(1) Details of the vigilance plan are presented in section 3.11 of this chapter.

The management is asked to monitor the respect for these principles whose application is subject to regular verification by the control and compliance departments.

Regarding internal and external fraud at Crédit Mutuel Alliance Fédérale, the amount of claims totaled €42.3 million in 2023. The breakdown of claims compared to total claims is 0.6% for internal fraud and 32.6% for external fraud.

Focus on the anti-corruption system

Crédit Mutuel Alliance Fédérale has set up a system for detecting, preventing and combating corruption in accordance with the law No. 2016-1691 of December 9, 2016, on transparency, the fight against corruption and the modernization of economic life, the Sapin 2 Law, which draws on a number of internal procedures and specific actions:

- risk mappings for corruption and conflicts of interest;
- a code of conduct;
- personnel training on respecting good business practices and combating corruption and influence-peddling;
- the obligation to declare gifts and benefits received or given;
- taking into account the risk of corruption in the assessment of the customer's risk profile;
- an internal whistleblowing system for employees;
- a system for processing customer claims;
- an internal control and evaluation plan on the application of these measures.

This provision furthermore relies on a disciplinary system incorporated into internal rules and regulations, which allows for sanctioning company employees in the event of violating internal rules.

All employees, customers and business partners are informed of the commitment to combat all kinds of corruption in the group and of the zero tolerance for corrupt behavior. This is set out in the combating corruption policy which applies to all employees whether technicians or managers, all senior directors and to external staff seconded to the company.

In 2023, 71% of training courses on rules of conduct, including the fight against corruption and/or the fight against money laundering and the financing of terrorism were completed by Crédit Mutuel Alliance Fédérale employees. The compliance department is responsible in particular for deploying procedures to prevent and combat corruption, verifications to ensure compliance, organizing any investigations, together with the competent services, in the event of suspicion and responding to inquiries by employees about actual or potential situations of corruption. The compliance department which reports to Crédit Mutuel Alliance Fédérale's risk department has the independence and the resources required to carry out its task with complete impartiality.

Focus on the mechanism for fighting money laundering and terrorism financing

Crédit Mutuel Alliance Fédérale has also implemented a mechanism to combat money laundering and the financing of terrorism in accordance with legal and regulatory requirements adapted to the risks generated by the various activities exercised across the national territory and abroad. This mechanism, including a set of procedures and tools, is implemented by employees trained to detect suspect operations. It is itself subject to thorough internal controls and is subject to regular evaluation on the part of supervisory authorities.

Crédit Mutuel Alliance Fédérale therefore strives to respect the regulatory requirements in this context which involve:

- knowing customers and their operations better and assessing the risk of money laundering with the aim of avoiding any relationship whose character or activities could be unclear;
- exercising vigilance in proportion to the risks, based on the type of clientele, the installation, the products and distribution channels, on the origin of funds deposited and/or the flow of such funds in order to detect unusual or atypical operations;
- mobilizing all employees in the fight against money laundering and terrorist financing through regular training and awareness activities;
- applying asset freeze measures, as well as procedures and controls to implement and enforce international financial sanctions programs.

Crédit Mutuel Alliance Fédérale prohibits all direct or indirect relationships with offshore domiciliation companies or consulting firms offering offshore structures. It is also prohibited to advise such companies or firms.

Focus on the system to fight tax evasion

Crédit Mutuel Alliance Fédérale implements, both in France and in the foreign countries where it is established, all regulations aimed at improving compliance with tax obligations at the international level and allowing for tax transparency, including Directive 2011/16/EU of February 15, 2011 on administrative cooperation on tax matters ("DAC 1 Directive") as amended, notably, by Directive 2014/107/EU of December 9, 2014 on the automatic exchange of information (AEI) on financial statements according to a common reporting standard ("DAC 2 Directive") and by Directive 2018/822/EU of May 25, 2018 concerning the automatic and mandatory exchange of information on tax matters in relation with cross-border arrangements that must be declared ("DAC 6 Directive").

Crédit Mutuel Alliance Fédérale also implements the American regulation known as FATCA Foreign Account Tax Compliance Act, under the terms of the Inter-Governmental Agreements – IGAs, signed by the United States with other countries, including the IGA between France and the United States signed on November 14, 2012 to improve compliance with tax obligations at the international level and to implement the law on compliance with tax obligations concerning foreign accounts.

Moreover, Crédit Mutuel Alliance Fédérale has several sectoral policies including a policy for private banking customers:

i) which reiterates that operations involving structuring customers' assets must not favor the concealment, fraud or evasion of tax and more broadly that cross-border activities, notably advice and commercialization, must be performed in strict compliance with the laws and standards in force in the customer's country of residence; and

ii) requires the respect of "Know Your Customer" (KYC) procedures which are reinforced for non-resident customers with a requirement for a tax compliance certificate in their country of residence.

Crédit Mutuel Alliance Fédérale also prohibits any dealings with a person who is domiciled in a state which does not implement the automatic exchange of information as stated above, apart from an exception which has been properly validated in accordance with a strictly controlled procedure. New relationships with politically exposed persons (PEP) residing in such a country are not authorized in any case.

No branches in non-cooperative States or territories for tax purposes

Crédit Mutuel Alliance Fédérale does not have an establishment or conduct business in a non-cooperative state or territory (NCCT) for tax purposes, belonging to the list drawn up by France pursuant to the provisions of Article 238-0 A of the French General Tax Code (CGI) or that drawn up by the European Union.

Respect of transfer pricing regulations

Crédit Mutuel Alliance Fédérale applies all the regulations both in France and in the countries where it is located in relation to transfer pricing, *i.e.* the obligation under the principle established by the OECD of applying a "fully competitive" price to transactions realized between the group's entities in different countries:

- the establishment of the declaration country by country in accordance with OECD standards (see Article 223 *quinquies* C of the French General Tax Code), which the tax authorities can automatically exchange by applying the multilateral agreement signed by France on January 27, 2016;
- annual establishment of transfer pricing documentation in accordance with the OECD's recommendations and the requirements of the tax legislation of the State of establishment (see Article L.13 AA of the French General Tax Code).

Criteria for beginning a new customer relationship

Crédit Mutuel Alliance Fédérale has an internal policy for entering into customer relationships which applies to all its entities in France and abroad. The group supports its customers in the realization of their projects by being attentive to the management of risks, particularly the risk of reputation. In view of this, it refuses on principle any relationship with third parties about which one may reasonably believe they carry out or promote, explicitly or implicitly, illegal practices or practices contrary to the group's values, such as:

- the advocacy or incitement to terrorism;
- the call to hatred, violence or attacks on the human person;
- discrimination, particularly of a racist or homophobic nature;
- pedophilia, pimping;
- active or passive corruption, money laundering;
- undeclared labor or fiscal fraud.

In addition, for the specific risks they create for the bank, relationships with natural or legal persons with ties to certain activities are not acceptable, such as prostitution or pornography, sects, fortune telling or astrology, arms trade, etc.

More generally, the bank does not pursue relationships with third parties when the economic or social interests and/or local or regional proximity does not seem obvious, but also when conditions of transparency or trust are not (or no longer) present.

New relationships and customers of so-called "sensitive" countries

The mechanism that exists in terms of managing operations and customers located in countries deemed sensitive has been strengthened since 2016. The compliance department is responsible for identifying, establishing and disseminating within the group lists of countries according to their degree of sensitivity: green (low risk), orange (standard risk), red (high risk and reinforced procedure) and black (very high risk). The purpose is to define progressive procedures or bans pertaining to new relationships with customers who reside in the concerned countries.

In addition to the regulatory criteria used under the classification system (countries listed by the FATF, Financial Action Task Force, high-risk third countries listed by the EU, etc.), countries that do not automatically exchange information according to OECD standards are classified in the red list. For these countries, new relationships are not authorized with the exception of those duly validated by a strictly controlled procedure. New relationships with politically exposed persons residing in a country on the red list are not authorized in any case.

Representatives of interests

The Sapin 2 Law of December 9, 2016 created a special regime for interest representatives, modified by the law of February 21, 2022 known as "3DS", supervised by the *Haute autorité pour la transparence de la vie publique* (HATVP - High Authority for Transparency in Public Life), providing for:

- the obligation to apply a strict code of conduct;
- the obligation to register on the HATVP digital directory, which provides information to citizens on relations between interest representatives and public authorities;
- the annual statement of activities within three months of the end of the fiscal year.

The Crédit Mutuel group's framework procedure, which applies the regulations in force on interest representatives and was drawn up under the aegis of the CNCM, is the registration document that applies uniformly to the various regional groups in the group. The General Secretariat of CNCM is responsible for registering entities that meet the required criteria in the HATVP digital directory as well as sending the respective annual reports to this authority.

3.5 GOVERNANCE AMBITIONS

3.5.1 Effectiveness of the governance bodies

The purpose of the data presented under governance ambitions is to reflect the operating model of Crédit Mutuel Alliance Fédérale. This data is taken from several sources:

- the mutualist reporting, entered from February 1 to March 7, 2024, by the local banks of Crédit Mutuel Alliance Fédérale. The local bank managers enter this information at a Board of Directors' meeting in conjunction with the elected members. The aim of this reporting is to analyze, for the previous year, the institutional issues of the local banks. For information entered in early 2024 corresponding to fiscal year 2023, 1,447 out of 1,464 local banks responded and approved the questionnaire, *i.e.* a response rate of 99%;
- the administrative data of elected members: offices, functions, age etc. This data is entered by the local bank managers throughout the year as necessary and notably when terms of office are renewed;
- training and skills development of elected members: a common application is used across the 14 federations. It provides data on the training courses taken, including length and attendance. The code of conduct applicable to all the group's elected members and employees stipulates that "elected members and employees must regularly update their knowledge in order to improve their skills and better fulfill their responsibilities." To this end, a range of training courses is offered to elected members, on a variety of topics, to enable them to exercise their mandate properly. A skills development plan for mutualist elected members is put in place for each strategic plan. This plan provides each elected member with an extensive and diversified range of training courses adapted to their role and responsibility within the mutualist organization;
- post-Shareholders' Meeting report: the local bank managers are invited to enter information about the organization of their Shareholders' Meeting after it has been held. Information is provided on the duration of Shareholders' Meetings, voting rates, costs, attendance rates, the issues raised, and so on;
- in addition, certain data is gathered from the management control IT system, notably information concerning the number of members.

Membership, a voluntary membership

As of December 31, 2023, the percentage of customer members of the 14 federations represents 82.32% of eligible customers [1].

In 2023, Crédit Mutuel Alliance Fédérale's banks welcomed 474,709 new members and saw the departure of 216,207 members. These members elect the directors of the various local banks, at the Shareholders' Meeting.

Welcoming new members

When entering into relationships with new members, the mutualist model, a differentiating factor in its mode of operation is explained in 93.37% of cases. At the same time, employees are trained in mutualist governance and 83.48% of bank employees have completed this training.

To increase the number of customer members in the local banks, 38.49% of them carry out specific actions such as welcome meetings to present the role and responsibility of a member (9.05%) and/or send out specific information, such as invitations to the Shareholders' Meeting (87.42%).

Boards – Democratic control

In 2023, 1,104 newly elected members joined the boards of the local banks following the elections at the local banks' Shareholders' Meetings. The average term of office is eleven years and one month for members of the Boards of Directors and ten years and eleven months for Supervisory Boards.

This data is entered by the local bank managers throughout the year as necessary and notably when terms of office are renewed. The average age of directors is 58 (56 for women and 59 for men).

In addition, 33.96% of local banks carry out actions to feminize their Boards of Directors and/or Supervisory Boards.

(1) Definition of the membership rate: number of members/(number of adult individual customers + legal person customers).

SOCIOPROFESSIONAL CATEGORIES OF ELECTED MEMBERS IN 2023

	2023	2022
Farmers	766	772
Trades people – merchants – business owners	1,938	1,848
Senior executives	4,010	4,006
Intermediary professions	1,847	1,783
Employees	1,566	1,530
Workers	258	269
Retired individuals	4,474	4,938
Other persons not actively employed	371	369

Excluding Cautionnement Mutuel de l'Habitat. 2022 data reviewed.
2023: Data as of January 4, 2024.

3.5.2 Membership momentum

The smooth running of cooperative activities is underpinned by the wealth of opinions and expectations of the members.

A Cooperative and Mutualist Life department was set up in 2022 to bring together the training teams for elected members, Member Agora users and Crédit Mutuel Alliance Fédérale's elected representatives, who support the federations in leadership, co-construction and experience sharing.

The aim is to enhance the attractiveness of mutualist values, particularly among young employees, and to take advantage of the Shareholders' Meetings of local banks, which is the basis of the democratic mutual model, as real opportunities for dialog and discussion. In addition, the role of the Boards of Directors is to validate the strategic choices of the local banks and to represent the community of members.

The main actions to be taken are:

- to increase the attractiveness of the Shareholders' Meetings of the local banks, which are the basis of the democratic model, particularly among young working people, and turn them into genuine opportunities for dialog and discussion; to reinforce the role of the Boards of Directors in choosing the orientations of the local bank and in representing the community of members. To this end, Crédit Mutuel Alliance Fédérale has made a commitment as part of its status as a benefit corporation to give young people a greater place on Boards of Directors and to achieve parity by 2027;
- to promote diversity, in all its aspects, of members and their elected members on the Boards of Directors and Supervisory Boards;
- to develop the skills of elected members by offering differentiated and customizable training programs;
- to promote the involvement of the elected members alongside the manager and employees of the local bank in local events.

To boost mutualist life and facilitate interactions between members, in 2020 Crédit Mutuel Alliance Fédérale created Member Agora – a social network and collaborative exchange platform – whose main objectives are to:

- promote the operating model of the cooperative bank among customers through the commitment of elected representatives, members and employees;
- build relationships based on shared areas of interest and enable members to play an active role in their bank, to support and promote the local actions of their bank;
- inform members, and share and promote local initiatives carried out by the regions around different themes: health, music, good deals, etc.;
- allow each federation to create its own community and run a news feed that is commented on, relayed and shared by members. Likewise, the local banks can create their own communities to boost the role of members by directly involving them in these events.

Member Agora was rolled out in 2021 across all Crédit Mutuel Alliance Fédérale federations and since, over 412,000 users shared their opinions and comments on the platform around events or communities related to music, health, local life and sports activities. 1,293 local bank communities have already been created by elected members to promote their local bank's regional initiatives, partnerships and support for associations.

100 to 300 daily publications are included in the news feed offered to members.

In order to improve the user experience of elected members and members, the platform benefits from permanent ergonomic improvements based on member feedback.

In 2023, following a satisfaction survey of members, individuals, associations and elected members, new developments and functionalities were introduced:

- emphasis on the member's local bank community;
- personalized news feed;
- publication of photo carousels;
- creation of a "Member Agora" icon for direct access;
- display of the number of views.

Training and skills development for elected members

Crédit Mutuel Alliance Fédérale has set up a Mutualist University, within the cooperative and mutualist life department of Caisse Fédérale de Crédit Mutuel, to support its new Togetherness Performance Solidarity strategic plan.

The Mutualist University is designed to cover all the fundamental, regulatory, behavioral and mutualist skills required to:

- meet the legal and regulatory requirements for bank directors, and develop their ability to question and express themselves;
- commit to a benefit corporation in order to contribute to a fairer, more sustainable society;
- develop employability, and in particular the ability to integrate, evolve and retrain, and/or the ability to lead corporate, association or societal projects;
- flourish as a human being through continuous development of skills, self-confidence and inclusion among peers and in society.

To promote diversity in the workplace, the Mutualist University relies on a set of andragogical methods based on neuroscience and the needs of diverse adults to acquire and develop skills throughout their lives, at their own pace, according to their needs and appetites.

The main objective of the Mutualist University is to provide everyone with the opportunity to develop their skills, based on knowledge from:

- both theoretical, academic and scientific fields, as they might be taught in higher education, and to make them accessible to everyone;
- and from the expertise of Crédit Mutuel Alliance Fédérale's employees, managers, elected representatives, directors and members.

It is based on three offers:

- a main offer enabling everyone to learn and develop a skill in 30 minutes, using the method they prefer, locally or online, in groups or individually;
- an event offer, which is available to Crédit Mutuel Federations and entities, enabling them to organize a conference, workshop, seminar or round table at least once a year, with the support of the Mutualist University;
- a diploma- or certificate-granting offer designed to recognize current skills and those acquired through the Mutualist University, in particular by means of certified badges. This offer also includes a university diploma in partnership with the University of Strasbourg, already in its third year.

At the Mutualist University, curricula designed for each level of office enable elected representatives to develop their skills in a contextualized way, according to the key moments of their office and the events and missions that punctuate their year.

These actions are part of a mutualist ecosystem, which aims to build a community plan mobilizing all stakeholders in the training ecosystem for elected members: correspondents in each local bank, federal and inter-federal commissions, elected leaders and employees and implemented by each federation under the principle of subsidiarity.

In 2023, the percentage of local elected members trained was 81% (GOUV 56) with 12,304 local elected members having followed at least one training course (GOUV 55), with 49,101 training sessions delivered, up 14% compared to 2022. This increase is due to the effectiveness of the multi-channel strategy adopted for the Mutualist University, notably thanks to local training courses and a new website that enables people to learn about any subject at any time.

In addition, 2023 was marked by the ongoing commitment to train each elected member to fight against all discrimination as part of the status of a benefit corporation: all the local banks were mobilized in this effort, with more than 14,474 elected members trained, *i.e.* 95% of elected members. Elected members who were absent due to illness, maternity, or other reasons that prevented them from completing this training within the allotted time will be able to make up for it in 2024 when they resume their term of office.

3

Quantitative data

Code	Indicator description	Data at the end of 2023	Data at the end of 2022
GOUV63	Total number of members	6,298,729	6,039,460
GOUV62	Number of adult individual customers and legal person customers	7,651,690	7,542,840
GOUV65	Percentage of members among adult individual customers and legal person customers	82.32%	80.07%

Boards – Democratic control

COMPOSITION

	Data at the end of 2023	
	Women	Men
Number of elected members in local banks – Women/Men distinction	6,361	8,869

	Board of Directors	Supervisory Board
Number of elected members in local banks in 2023 – Board of Directors/Supervisory Board distinction	11,117	4,113

The Shareholders' Meeting (SM)

The Shareholders' Meetings of the local banks are the foundation of mutualist governance, and illustrate the strength of this model thanks to these key moments for exchange, information and expression of mutualist democracy.

The end of the health crisis (COVID) enabled each Crédit Mutuel Alliance Fédérale local bank to resume face-to-face general meetings with its members. Crédit Mutuel Alliance Fédérale also used the systems developed during the health crisis to enable members to vote remotely. Members were informed in advance of Shareholders' Meetings, by post and by means of newly-developed digital tools. Members were able to vote in advance at their local bank, or remotely from their online banking space on the www.creditmutuel.fr website, or on their mobile app. The 3rd voting option was to attend the Shareholders' Meeting in person, in the traditional way.

A total of 1,489 Crédit Mutuel Alliance Fédérale local banks held their Shareholders' Meeting in 2023.

5,196,317 members received a specific invitation by mail or in their online banking area.

All members were able to find all the information they needed in advance of the Shareholders' Meeting, enabling them to vote in an informed manner. During the Shareholders' Meetings, they were able to take part in a presentation by the local bank's Chairman and Director. They were also able to obtain answers to any questions they might have.

In line with the benefit corporation, Crédit Mutuel Alliance Fédérale has set itself a very ambitious target of doubling the number of voters compared with the 2019 Shareholders' meetings. This target was comfortably exceeded in 2023: 746,875 members voted, representing nearly 3 times the target set.

Allowing members to express themselves and vote easily in their online banking space has won over a large number of members: over 76% of voters cast their ballots *via* this innovative channel.

By combining traditional exchanges through meetings and technological innovation with innovative user paths, Crédit Mutuel strengthens the expression of the mutualist democracy of its members.

Education and training

MEMBERSHIP DEVELOPMENT

When initiating relationships with new customers, is the mutualist difference presented?	Yes for 1,351 local banks (93.37%)
Are documents provided?	Yes for 740 local banks (51.14%)
Have you organized a meeting for new members?	Yes for 131 local banks (9.05%)
Have you informed them that they will be invited to the SM?	Yes for 1,265 local banks (87.42%)

Intercooperation

ASSOCIATIONS

Association-customers of Crédit Mutuel local banks	Initiatives directed at associations: number of local banks that allocate a budget
303,514	1,294 local banks (89.80% of respondents)

OTHER GOVERNANCE INDICATORS

Indicator code	Indicator	2023	2022
GOUV14	Number of new elected directors of local banks	1,103	821
GOUV15	Number of newly elected women members in local banks	586	424
GOUV56	Number of director training hours – local banks	41,556	40,012

3.6 SOCIETAL AMBITION

3.6.1 ESG purchasing policy

Purchasing goods and/or services is an act of management and is part of the operational implementation of the strategy. Crédit Mutuel Alliance Fédérale's purchase policy, deployed with all entities, incorporates economic criteria of quality, respect of technical requirements and ESG factors.

Crédit Mutuel Alliance Fédérale favors relations with suppliers and/or service providers whose contracts include the specific clauses from the reference texts on human rights and principles of combating all forms of corruption. It fosters long-term, local relations.

3.6.2 Responsible relationships

Crédit Mutuel Alliance Fédérale has reinforced this initiative by requesting that all its suppliers sign a sustainable and responsible purchasing charter incorporating the internal commitments of the purchasing policy to ensure long-term commercial relations with partners committed to a process of compliance with the challenges of sustainable development.

By signing the charter, the supplier undertakes, in the context of activities carried out with Crédit Mutuel Alliance Fédérale entities, to respect the human rights and fundamental freedoms, health and safety of people and the environment, as well as the rights of employees. The supplier undertakes to respect the laws applicable to the protection of personal data and to implement all measures necessary to ensure the security and confidentiality of the information provided by the entities of Crédit Mutuel Alliance Fédérale. The supplier undertakes to implement internal procedures to ensure its activity is in compliance with the laws and regulations relating to the fight against corruption. In addition, suppliers can report any infringements to Crédit Mutuel Alliance Fédérale by using the dedicated email address.

In 2023, nearly 4,800 charters were signed by CCS suppliers and Euro-Information suppliers (SOT100).

Work was undertaken in 2023 to further integrate environmental and biodiversity issues into the charter.

3.6.3 Regional development

The group, which is a leading employer with a strong regional presence due to the stability of its network, bases its strategy on the demand for long-term investment to develop the economic and social ecosystem of each region. It pursues, either directly or in partnership, the distribution of personal and professional micro-loans to foster the development of activities in the regions.

Promote the distribution of personal and professional micro-loans

Crédit Mutuel Alliance Fédérale enables customers in financially fragile situations to benefit from financial support by developing partnerships with associations such as ADIE, Initiative France and France Active to promote the granting of micro-loans. The purpose of granting micro-loans is to create and consolidate jobs for those who are excluded from the job market (job seekers, recipients of the minimum welfare benefits, people with disabilities, etc.).

Thus, Crédit Mutuel Dauphiné-Vivarais (CMVD) supports Initiative Auvergne Rhône-Alpes (IARA), with eight associations located in its territory. For 18 years now, this partnership has given concrete expression to the CMDV's commitment to the regions, through a financial contribution of €60,000 to the honor loan funds, the involvement of mutualist elected members in the platforms' governing bodies, and the participation of employees in the loan committees.

Promote job security and the return to employment

Promoting job security and the return to employment are key priorities for Crédit Mutuel Alliance Fédérale in its quest to support people in vulnerable situations. Regional conventions have been signed throughout the country with social integration association networks such as CCAS, Secours Catholique, UDAF, Secours Populaire, Restaurants du Cœur and county councils to support our customers and receive advice adapted to each situation.

This commitment to foster access to employment in the regions has translated into new partnerships at the national and/or local levels so as to supplement the mechanisms already in place within Crédit Mutuel Alliance Fédérale entities.

The 60 000 rebonds association was able to open a new branch in the Hauts-de-France region this year, thanks to support from the Crédit Mutuel Nord Europe Foundation. This branch is based in Amiens, in addition to those in Lille, Dunkerque, Arras and Valenciennes, and is designed to help entrepreneurs who have gone bankrupt find a new career path.

Solidarity commissions have also been set up by the Boards of Directors of the local banks to support member-customers in difficulty.

3.6.4 Promoting local initiatives

By drawing on its cooperative and mutualist model, the group notably supports customer-member associations by forging partnerships (financial or material) involving elected members and employees. It also participates in patronage and sponsorship operations for projects of all kinds: linked to education, sport, music, culture and professional reintegration, etc. In addition to the initiatives supported at local level by the local banks and branches and at regional level by each of the group's entities and subsidiaries, operations are carried out at national level, in particular by the Crédit Mutuel Alliance Fédérale Foundation. It operates in two areas: the environment and solidarity. Financed by the societal dividend, the Crédit Mutuel Alliance Fédérale Foundation implemented a €17.5 million food aid plan this year to cope with the emergency and enable structures to continue their support for the most disadvantaged.

For the second consecutive year, it received the Grand Prix de la Philanthropie 2023 award. Created in 2019 by the Ficade group, this award values the virtuous nature, relevance and positive impact of corporate philanthropic actions in society. The Crédit Mutuel Alliance Fédérale Foundation was honored this year in the "Equal Opportunities" category for its work to reduce inequalities in the regions.

Crédit Mutuel Alliance Fédérale also supports and encourages the practice of sport through numerous local and national partnerships. At the end of 2023, the group joined *#SportGrandeCauseNationale2024*, a government initiative to promote physical activity and sport on a daily basis.

The overall budget for patronage and sponsorship reached €82.8 million for the 2023 fiscal year (SOT 52), due to the strong development of patronage with the societal dividend.

The group aims to support associations in their development and their public interest mission. Local sports and cultural associations with a budget of less than €500,000 benefit from the Pay Asso solution free of charge. This service allows members to pay their membership fees and make donations by credit card to associations, even those that do not have a website.

Crédit Mutuel Alliance Fédérale also offers the Lyf Pro mobile app, a secure and dematerialized mobile payment and donation collection solution, which also allows associations to forge and develop relationships with their donors, using mobile phones as a new communication channel, to simplify the organization and management of their events thanks to a solution ranging from ticket sales to collection and payment.

In 2023, as part of the societal dividend, Crédit Mutuel Alliance Fédérale strengthened its support for local sports and cultural associations by offering them 100% reimbursement of their banking package (account, checkbook, card, online banking and dedicated advisor) [1] until December 31, 2024.

Focus on some of the partnerships of Crédit Mutuel Alliance Fédérale's entities

Fédération du Crédit Mutuel Centre Est Europe (CMCEE)

A patronage agreement between the districts of the Fédération du Crédit Mutuel located in the Grand Est region, the *Entreprendre pour apprendre* association and the Académie de Strasbourg allows students from the fourth grade to BTS level, through the creation of mini-companies, to discover the economic and professional world, to develop their sense of commitment and initiative and to elaborate their school and professional orientation project. The students, accompanied by their teachers and a company advisor, carry out an economic activity to learn about the daily life of a company.

Fédération du Crédit Mutuel Nord Europe (CMNE)

In March 2023, CMNE organized its first "Job Tour", a grassroots event to reach out to candidates looking for work-study and internship opportunities. Seven cities hosted a stage of the event: Arras, Béthune, Calais, Dunkirk, Lille, Reims and Amiens. 27 employees were recruited at the start of the 2023 school year following their participation in the Job Tour by CMNE.

(1) For associations governed by the French law of July 1, 1901, or by Alsace-Moselle local law, with an exclusively sporting or cultural object and a non-profit-making purpose, employing up to two people. Contributions are reimbursed by the Bank for holders of a Eurocompte Asso Tranquillité with Crédit Mutuel or a Contrat Professionnel Association with CIC, or for any new subscription to one of these. Beyond that, see detailed conditions in the Crédit Mutuel local banks providing this offer or in CIC branches and on www.creditmutuel.fr or www.cic.fr.

Fédération du Crédit Mutuel Anjou (CMA)

The Crédit Mutuel Anjou association Créavenir Anjou has been supporting social and solidarity-based economy associations in Maine-et-Loire for ten years. Among the associations supported in 2023, Egoïstes Ensemble aims to enable people with disabilities to take on major sporting challenges. Its Inclusiv'Challenge project is designed to:

- raise awareness of disability through actions with young people in schools, sports clubs or academies, but also with companies;
- set up a solidarity fund to finance sports sessions to facilitate access to sport for people with disabilities, and carry out major sporting challenges;
- organize a disabled/able-bodied marathon during which meetings with companies and handisport associations will be organized to raise awareness of disability and the opportunities it offers.

Fédération du Crédit Mutuel du Sud-Est

On March 30, 2023, Crédit Mutuel Sud-Est signed the charter of 1,000 companies committed to integration and employment. Crédit Mutuel Sud-Est's commitments in 2023 resulted in:

- the recruitment of 43 people through work-study programs;
- training interviews, in particular at a secondary school located in a priority zone, to help high-school students express themselves better during interviews for internships or work-study programs;
- the completion by two long-term jobseekers of a 12-day internship with Crédit Mutuel Sud-Est after having benefited from a three-month Operational Preparation for Individual Employment with the FAIR association.

Fédération du Crédit Mutuel Savoie-Mont Blanc

Four mentors, employees of Crédit Mutuel Savoie-Mont Blanc, support young people from the *Nos Quartiers ont du Talent* association (integration of young people from priority urban areas). The aim is to promote their integration into the world of work through meetings, videoconferences, matchmaking, coaching sessions and so on.

Fédération du Crédit Mutuel Dauphiné-Vivarais (CMDV)

The Federation supports the Crussol Festival, a music festival held in Saint-Péray, Ardèche. The festival aims to raise awareness and help build a more sustainable, supportive society through a festive event.

Cofidis

In 2023, Cofidis France supported the project of 40 students from La Cordée school in Roubaix, a school in the Espérance banlieues national network (network of schools for the underprivileged) located in the heart of Roubaix: to cycle over 200 km from Compiègne to Roubaix in a 2-day relay! The youths were able to discover cycling and share sporting values.

Assurances du Crédit Mutuel

Assurances du Crédit Mutuel is continuing its partnerships with innovative players in France to provide Crédit Mutuel Alliance Fédérale policyholders with the latest medical technologies. The partnership with NeuroCoach allows the screening of risk factors for stroke. The Visible Patient technology provides policyholders and their medical specialists with a 3D organ modeling tool that allows for more precise preparation of surgical procedures. To ensure that health care is accessible throughout the country, policyholders also have access to a medical teleconsultation service with MédecinDirect and psychological support with Stimulus.

Also in this approach to accessibility, in 2022, ACM took a financial stake in the health tech TokTokDoc. Thanks to a team of nurses and their mobile polyclinic kit, TokTokDoc brings medicine to dependent or handicapped people living in EHPAD. ACM has also been a sponsor of the "life-saving gestures awareness" operation for 4th graders in Alsace since 2018, and is also committed to the Ressource centers that support cancer sufferers and their families. All of these partnerships aim to support policyholders in risk prevention and to provide innovative solutions to improve the chances of recovery.

Lastly, in addition to health, ACM is also developing other prevention actions. They offer the J Prévention course to motor insurance policyholders aged under 28, to help them acquire the right driving reflexes in difficult situations. They are also involved in the work of the Mission Risques Naturels association, whose Drought Initiative, launched in 2023, aims to implement and analyze new prevention and protection solutions for individual homes.

Beobank

Beobank is a long-standing partner of United Fund For Belgium (UFB), a Belgian non-profit organization that has been supporting social inclusion by combating exclusion and poverty for more than 50 years. It helps people with disabilities and contributes to the well-being of each child. In particular, UFB supports charities involved in the well-being of children, poverty reduction, support for people with disabilities and social integration. Beobank participates in the fundraising by supporting UFB financially and also by giving employees the opportunity to spend a day volunteering in Belgium for a Belgian charity supported by UFB during working hours. In addition, every year, several employees take up a sporting and solidarity challenge by running the 20km of Brussels while supporting one or two organizations selected by UFB.

3.6.5 Actions to develop entrepreneurship across the regions and to support innovation

Working closely with the real economy and local communities, the Crédit Mutuel and CIC networks are committed to facilitating the development of innovative companies and start-ups. In order to honor this commitment, a specific dedicated function for start-ups and innovative businesses has been set up with account managers trained to support innovation and growth inside the Crédit Mutuel and CIC banking networks throughout France, including offers and specific measures.

At the national level, 30 corporate customer relationship managers for innovative companies and 60 specially trained innovation referents work daily to facilitate the development of customers and members with projects in liaison with the players in the innovation ecosystem. At the end of 2023, 4,500 start-ups in the portfolio were being supported by the innovative companies function, representing a 25% increase on 2022.

The Crédit Mutuel federations and CIC regional banks also support numerous incubators, grandes ecoles and innovative clusters in the regions. Crédit Mutuel Sud-Est is a founding partner of H7, Lyon's main hub for start-ups and the French Tech ecosystem.

In addition, two calls for projects specific to CIC and Crédit Mutuel were deployed, to cultivate positive-impact ideas and reward the best initiatives for building tomorrow's world: Start Innovation Business Awards CIC and *4S Semeur d'innovation* (Sower of innovation) for Crédit Mutuel.

Semeur d'innovation (Sower of innovation)

In 2023, all Crédit Mutuel Alliance Fédérale federations took part in the third edition of the *4S Semeur d'innovation* (Sower of innovation) competition. Participants were invited to present a project in one of the following four areas: environment, culture, solidarity and territory. A total of 1,385 applications were received from entrepreneurs, community leaders and private individuals; 160 projects were shortlisted and accompanied by coaching sessions, and 64 winners were rewarded. Each winner received €4,000, *i.e.* for a total of €256,000 for this project.

A national Forum bringing together all the regional winners was organized for the 1st time in October 2023 with the aim of creating synergies between our winners and sharing inspiring content.

Start Innovation Business Awards

CIC also deployed the 4th national edition of the "Start Innovation Business Awards" which is a genuine business accelerator for these companies. More than 1,158 candidates applied to this call for projects, which ultimately rewarded 18 regional winners and three national winners for the year 2023, for a total prize fund of €200,000. Several partnerships were also signed or renewed, such as with BGE, which has been supporting business takeovers for 40 years, and ABF Décisions, which encourages companies to relocate to France.

3.6.6 BFCM's Social Bond issue

Faced with economic, social and climate challenges, Crédit Mutuel Alliance Fédérale has positioned itself as a player determined to support the urgent transformation of the economic system. This is why, after issuing green bonds in 2020 and 2021, *via* BFCM, Crédit Mutuel Alliance Fédérale issued its second social bond of €750 million in 2023 [1]. The assets financed for this issue are loans to Small and Medium Enterprises (SME), professionals and farmers located in counties with unemployment rates higher than the national average and student loans and degree programs. This issue was a great success with bond investors.

The system for identifying and monitoring eligible assets is described in Section 3.8.3.

(1) https://www.bfcm.creditmutuel.fr/fr/programmes/obligations-vertes-et-sociales.html

QUANTITATIVE DATA

Indicator	Indicator code	Unit	2023	2022
SRI outstandings with SRI, FNG, Luxflag label	SOT28	€ billions	39.3	30.9
Total assets under management by the management company	SOT28BASE	€ billions	129.5	127.6
Assets under management in socially responsible employee savings plans	SOT37	€ millions	1,583	1,297
Amount from solidarity products paid to associations	SOT35	€	1,007,889	513,402
NPO customers (associations, labor organizations, works councils, etc.)	SOT40	No.	459,627	455,135
Total budget dedicated to patronage and sponsorship	SOT52	€ millions	82.8	55.3
Applications processed – ADIE	SOT16	No.	4,152	4,249
Amount of lines of credit made available – ADIE	SOT17	€ millions	15.1	13.7
New micro-loans financed – France Active	SOT19A	No.	775	1,391
Amount guaranteed – France Active	SOT20A	€ millions	22.8	34.9
Additional loans issued – Initiative France	SOT22	No.	3,265	3,730
Amount of additional bank loans granted – Initiative France	SOT23	€ millions	282.1	319.6

Indicator description	Publication code	Unit	2023	2022
Crédit Mutuel Alliance Fédérale sales outlets	SOT01	No.	4,367	4,488
Loans on preferential terms (< €3,000) granted	SOT27	No.	1,328,479	1,288,761
Amount of loans on preferential terms (< €3,000) granted	SOT26	€	1,236,087,174	1,205,692,345
Assets under management excl. capitalization of livrets d'épargne pour les autres (savings account that benefits humanitarian organizations)	SOT33	€	159,097,077	236,222,177
Amount of micro-loans granted	SOT13	€	816,082	746,741
Eco-loans: loans granted during the year	SOT63	No.	23,961	20,487
Total amount of interest-free loans granted during the year	SOT65	€	339,403,370	278,467,276
Amount of loans for renewable energy granted to business customers and farmers	SOT68	€ millions	254.3	269.9
Outstanding customer loans	SOT83	€ billions	522.00	502.1
Outstanding home loans	SOT84	€ billions	264.9	254.4
Outstanding consumer credit	SOT85	€ billions	54.6	51.0

3.7 SOCIAL AMBITION

The information and figures concern Crédit Mutuel Alliance Fédérale entities in France.

3.7.1 Diversity and equal opportunities

Crédit Mutuel Alliance Fédérale has a proactive and ambitious diversity and inclusion policy to combat discrimination and promote equal opportunities and treatment.

This approach is at the heart of Crédit Mutuel Alliance Fédérale's mutualist values and its *raison d'être*, *Ensemble, écouter et agir* (listening and acting together), and is embodied in the mission statement "As a bank for all, members and customers, employees and elected members, we act on behalf of everyone and refuse to discriminate".

Equal opportunities and youth employment

Crédit Mutuel Alliance Fédérale is positioned as a committed and active player in favor of young people, particularly those furthest from employment, by developing initiatives throughout the region to promote work-study programs and access for these young people to the world of business.

In 2023, more than 1,400 work-study students were recruited, including more than 30% from disadvantaged urban and rural areas.

As a founding member of the Business Collective for a more inclusive economy, Crédit Mutuel Alliance Fédérale, alongside 38 major companies, has been carrying out actions to promote the inclusion of young people in France's ten major employment areas since 2018: Seine-Saint-Denis, Strasbourg, Lyon, Marseille, Bordeaux, Rouen, Lille, Toulouse, Nantes and Grenoble. In each of them, Crédit Mutuel Alliance Fédérale representatives are present to actively participate in a number of initiatives, such as the Forum for the Future organized in Strasbourg in March 2023. This day enabled more than a hundred young people, between the ages of 16 and 30, from urban priority neighborhoods (QPV) or rural areas, to benefit from advice in their steps to access the professional world.

Committed to neighborhoods and regions, Crédit Mutuel Alliance Fédérale continues to support local players with associations such as *Nos Quartiers ont du Talent, Télémaque,* and *Sport dans la ville*. Initiatives have been set up within the group's companies to encourage employees to get involved as volunteers or mentors.

Equal opportunities and non-discrimination

Committed to equal opportunities, Crédit Mutuel Alliance Fédérale continues to provide training in non-discrimination to recruiters and, more broadly, has undertaken to train 100% of its employees in non-discrimination by 2022. A training module, Preventing discrimination and promoting diversity, was deployed in the last quarter of 2022, including a self-diagnosis and e-learning.

In January 2023, Crédit Mutuel Alliance Fédérale made a reporting tool available to all employees to report harassment and discrimination. This tool has strengthened the existing reporting system by making it easier and more visible for employees to report incidents. A small team within the group HR department is responsible for monitoring the reports received.

In addition, in January 2023, Crédit Mutuel Alliance Fédérale joined the #StOpE initiative to combat so-called ordinary sexism in the workplace.

Throughout 2023, orchestrated by the group human resources department, Crédit Mutuel carried out concrete actions to sustainably reduce so-called ordinary sexism in the workplace. Crédit Mutuel Alliance Fédérale took part in a survey on working relations between men and women. Over 20,000 employees responded to it. Training courses have been set up for human resources teams and harassment and sexist harassment referents (employer and SEC) to enable them to take action against sexism on a daily basis.

Strongly committed to workplace equality, a "Crédit Mutuel - Elles" community has been set up to work together to promote gender diversity and workplace equality. This community offers rich and diversified content (workshops, webinars, articles, shares, etc.). More than 1,100 employees are already part of this Community.

Equality of treatment

With respect to equality, measures have been taken to favor gender equality. Equal pay is one of the levers of gender parity, associated with a career development plan for women. For several years now, Crédit Mutuel Alliance Fédérale has attached great importance to the need for parity in appointments to senior management and executive positions. Where training is concerned, no session of the School for directors starts without parity.

The feminization of managerial positions is a major objective of Crédit Mutuel Alliance Fédérale which translates into one of the human and mutualist indicators of the revised strategic plan *ensemble#nouveaumonde plus vite, plus loin!* (together#today'sworld faster, further!). The ambition is to achieve equality between men and women by 2023 in management positions (notably executives such as bank manager positions in the banks of the Crédit Mutuel network and/or the branches in CIC network) and governance positions (members of the Management Committees in group entities included the common social base).

In addition, as part of commitment No. 6 “defend gender equality at all levels of the bank” made by Crédit Mutuel Alliance Fédérale as a benefit corporation, a group agreement on equal pay was concluded on February 21, 2022. Under the terms of this agreement, Crédit Mutuel Alliance Fédérale undertook to ensure that, within the overall scope of the group agreement, the salaries of women and men would not present a difference between them of 3% or more for a same classification level and same age group as of December 31, 2022. To achieve the objective of equal pay between women and men and therefore eliminate collective pay gaps, this agreement provided in respect of 2022 for the implementation of a collective correction measure representing 0.5% of payroll expense.

This agreement also provided that beyond this mechanism planned for the year 2022, the objective for each company is to ensure that collective pay equality between women and men is maintained. This commitment is monitored every year as part of the benefit corporation.

In addition, more than three-quarters of the group's companies score over 85 points on the gender equality index.

Disability and caregivers

Crédit Mutuel Alliance Fédérale is fully committed to disability issues, and has set up the means to structure and implement its policy in favor of the employment of people with disabilities: signature of the first disability and caregivers group agreement on December 8, 2021, creation of a group disability mission and a network of local disability referents and SEC referent.

The first disability and caregivers group agreement signed on December 8, 2021 for the period 2022-2024 cements Crédit Mutuel Alliance Fédérale's commitment around four axes:

- recruitment, onboarding and inclusion of people with disabilities;
- information, awareness-raising and training for all our employees;
- developing and maintaining employment for our employees;
- expanding relations with the sheltered and adapted sectors.

This agreement also includes measures to help our employees whose close relations (children, spouses and ascendants) are disabled to better reconcile their professional lives with the constraints encountered in connection with their relative's disability.

A group disability committee coordinates and deploys the group disability agreement, notably through information, awareness-raising and training initiatives. It provides support and advice to all employees, whether or not they are recognized as disabled workers, as well as to human resources teams and managers. In particular, it assists the entities concerned in situations involving incapacity and the search for new employment.

In each of the group’s companies, a local disability referent assists people with disabilities or their caregivers throughout their career with the company, in conjunction with human resources managers, managers and occupational health services. Each social and economic committee (SEC) has appointed a disability referent from among its members.

In 2023, all SEC disability referents were trained as part of their mission.

In addition, an online workshop open to all employees was offered by the "*Crédit Mutuel Elles*" community on the theme of caregivers: "Caregiver and worker, reconciling private and professional life without losing your footing!"

Lastly, as part of the 2023 European week for the employment of people with disabilities, actions were deployed to deconstruct preconceived ideas about disability:

- a series of videos to combat preconceived ideas about disability;
- virtual reality workshops to raise awareness and experience the lives of employees with disabilities at the Strasbourg, Lyon, Bordeaux, Paris, Lille and Nantes sites on November 21 and 22. Using virtual reality headsets, employees were confronted with situations of disability at work. Through seven modules, different situations were illustrated, providing a better understanding of the daily lives of people with visible or invisible disabilities. A total of 455 employees were educated in these workshops;
- on November 23, during DuoDay, Crédit Mutuel Alliance Fédérale opened its doors to people with disabilities so that they could discover the company and the group's different business lines. Across France, 112 duos were formed (including 70 for the November 23 event);
- the launch of the Handipoursuite game, a fun way to test your knowledge and dispel prejudices about disability. Over 4,000 games were played by group employees.

Employee sponsorship and commitment

Crédit Mutuel Alliance Fédérale's identity is built on the values of solidarity and commitment.

Since 2020, as part of the group agreement on the management of jobs and career paths, a skills sponsorship scheme dedicated to employees nearing retirement has been in place. This scheme, which is fully in line with the group's values, enabled 19 employees in 2023 to benefit from this innovative form of commitment to associations working for the environment and the regions, two areas supported by the Crédit Mutuel Alliance Fédérale Foundation.

In addition, and to reinforce the group's commitment to the common good and enable employees who so wish to commit themselves to the general interest, Crédit Mutuel Alliance Fédérale launched a civic engagement platform in October 2023. The aim of this platform is to match the needs of associations in terms of volunteering with the desire of each individual, according to the causes they care about and the personal time they have available.

Jointly supported by the human resources department and the Crédit Mutuel Alliance Fédérale Foundation, this program is being launched initially as a pilot scheme involving five entities (Caisse Fédérale de Crédit Mutuel, Crédit Mutuel Midi Atlantique, CIC Nord Ouest, Crédit Mutuel Leasing, Banque Transatlantique and La Française), before considering its general roll-out to all Crédit Mutuel Alliance Fédérale entities. As of December 31, 2023, just over 1,000 employees had registered on the platform, and some twenty assignments had been carried out.

3.7.2 Support career development and mobility

Negotiation of a new group agreement on Gestion des emplois et des parcours professionnels (GEPP – Management of Jobs and Career Paths) from June 30, 2023-2026

The main aim of the GEPP, which encompasses the *Gestion Prévisionnelle des Emplois et des Compétences* (GPEC - Forward-looking Management of Jobs and Skills), is to anticipate and adapt job trends to foreseeable economic, demographic and technological changes, in line with corporate strategy. This should enable companies to boost their dynamism and competitiveness, and provide employees with the information and tools they need to take charge of their career development.

The GEPP approach adopted by our companies must therefore be closely aligned with the strategic orientations defined by Crédit Mutuel Alliance Fédérale.

Crédit Mutuel Alliance Fédérale's latest agreement signed unanimously in June 2020 by the trade unions was in line with this objective. This agreement was based mainly on the following themes:

- forward-looking management of jobs and skills;
- professional training and career path advisory services;
- internal mobility conditions within the company;
- consideration of diversity in employment management;
- the career development of employees holding appointments or elected offices;
- skills-based sponsorship for employees at the end of their career.

With the June 30, 2020 agreement coming to an end, the social partners held several meetings in 2023 on the subject of GEPP.

Discussions between the representative trade unions and group management made it possible to build an agreement so that the actions and measures negotiated for the next three years will serve the strategic orientations of the Crédit Mutuel Alliance Fédérale companies, as defined in its future strategic plan 2024-2027, Togetherness Performance Solidarity, adopted in December 2023.

This agreement was signed on November 15, 2023 by the majority of representative trade unions and will apply for the next three years to the scope of companies covered by the Group Agreement.

In summary, the group agreement on the GEPP 2023-2026 is structured around the following seven axes:

- delivering Crédit Mutuel Alliance Fédérale's employer promise around the values of inclusion, equality and diversity to attract new employees;
- integrating, supporting and retaining employees throughout their careers;
- supporting employees at the end of their careers;
- anticipating the future skills and business needs of the activities and networks;
- supporting employees' professional projects throughout the group;
- professional training to enhance employees' employability and skills;
- identifying and supporting key talent.

The commitments made and the actions to be taken over the next three years under these headings should enable Crédit Mutuel Alliance Fédérale to fulfill the ambitions set out in its strategic orientations and thus consolidate its performance and operational efficiency.

They must also enable employees to take the lead in their career development, either within their own company or in another group entity as part of an intra-group mobility program. More than ever, our company must offer real mobility and career prospects for each employee.

The agreement also aims to promote the ongoing employability of each employee, through the continuous enhancement of their skills, in order to build the group of tomorrow.

Lastly, the actions and commitments set out in this agreement must serve the values of democracy and solidarity, as well as the social and environmental commitment of Crédit Mutuel Alliance Fédérale, which became a benefit corporation in 2020.

With this in mind, this agreement provides for:

- on the one hand, maintaining a certain number of existing schemes and promoting them so that they are better known by our employees;
- on the other hand, going further and reinforcing the commitments made within the framework of this agreement by putting in place new measures in favor of the GEPP. The creation of the joint business line observatory is a perfect illustration of this commitment.

Professional training

Crédit Mutuel Alliance Fédérale invests heavily in the training of its employees in order to develop their skills and enable them to evolve within the group. In 2023, 6.58% of payroll expense was invested in training [1]. This investment represents more than 282,000 days, half of which are organized as face-to-face sessions.

Crédit Mutuel Alliance Fédérale has a structure that is entirely dedicated to employee training. Career paths are developed by systematically employing a progressive instructive approach to support employees as closely as possible. These customer-centric courses are mainly intended for salespeople. They include all the technical and commercial skills required for the banking and insurance business lines. They alternate situational exercises with periods of experimentation and consolidation. Each year, more than 5,000 Crédit Mutuel Alliance Fédérale employees receive career-path training, adapted to their future profession, which serves as a guarantee of their professional development within the company. In addition, all group employees have access to the e-learning platform, which offers a rich and varied range of training modules.

(1) *Scope of Cap Compétences including the Crédit Mutuel Alliance Fédérale federations, CIC banks, French social base subsidiaries and certain foreign subsidiaries. Within the scope of the NFPS, the percentage of payroll expense invested in training is 5.6%.*

Furthermore, a large number of managers from Crédit Mutuel local banks and CIC branches attended the School for Directors, which takes place over a period of four to five months. These aspiring directors are relieved of any activity other than their training. Through this program, nearly 1,500 employees have been trained as managers of local banks or branches.

One of the objectives of the group's revised 2019-2023 strategic plan, *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) was to support 100% of employees in the digital transformation by 2023. Crédit Mutuel Alliance Fédérale created the digital passport in 2019 to enable each employee to gauge his or her level of knowledge of office automation and digital tools. The assessment and role-playing exercises concerned knowledge of the digital environment, data and information processing, safety in a digital environment, communication and collaboration tools (social networks, online conferencing, online discussions etc.). The aim is for employees to acquire new skills based on a diagnostic performed using a questionnaire and an in-situ case, and progress at their own pace. The passport includes digital certification, enabling employees to showcase their skills, and Cap Compétences teams to define appropriate measures to improve their proficiency of the subject.

Furthermore, a relational visa enables network employees to position their level of knowledge of sales tools such as the electronic signature, email analyzer, chatbots, online banking and video appointments. At December 31, 2023, 97.5% of those registered and present [1] had benefited from digital transformation support, thanks to the digital passport and/or relationship visa systems on Crédit Mutuel Alliance Fédérale's common base scope.

3.7.3 Promote Quality of Life at Work (QLW)

Crédit Mutuel Alliance Fédérale is committed to a QLW approach fostered by its mutualist values. Reconcile the improvement both in employees' working conditions and the overall performance in a rapidly changing environment remains a priority. This commitment focuses on work-related factors: work content, professional development opportunities and quality of management, customer-member satisfaction and the smooth running of the company.

From the month of May 2020 Crédit Mutuel Alliance Fédérale sought to engage in new negotiations on QLW, including the introduction of remote working. Indeed, the management of Crédit Mutuel Alliance Fédérale considers that the use of remote working is a factor in the QLW for employees because it can reduce the complications related to the use of transport to get to work, improve work-life balance or acquire more autonomy in work.

Management proposed to the trade unions to negotiate a framework agreement constituting a common series of measures applicable to all the entities that fall under the group agreement, which must then implement it within their organization through a logic of proximity and responsibility. The framework agreement on quality of life at work and remote working was signed by the majority of trade unions on October 28, 2020. This framework agreement provides for a series of basic measures that may be supplemented by specific commitments for each group entity. The common measures of the QLW framework agreement are as follows:

- optimize the day-to-day organization of work: regular analysis of tasks, establishment of a constructive dialog with managers on the subject of QLW and, more specifically, the inclusion of workload as a specific topic of appraisal interviews;
- promote health at work: setting up a health platform to simplify and expand existing services, improve the layout of premises and workstations, fight against psycho-social risks and the prevention of depression and encourage sport activities at the workplace;
- improve employee mobility between home and work: adoption of a Sustainable Mobility package of €400, which has been increased to €700 for the years 2022 and 2023, launch of an internal carpooling platform and proposal to sign up for refresher days to make cycling safer. These measures are part of Crédit Mutuel Alliance Fédérale's eco-responsible approach;
- encourage the development of a responsible management model, encouraging employees to participate, in particular through the corporate social network and commitment surveys, and encouraging employee involvement in solidarity activities (blood donation) or civic activities (12 days granted to employee volunteer firefighters);
- facilitate the balance between professional and personal life: development of services for employees.

In addition to common measures, concrete actions are also implemented within the various group entities to improve the quality of life at work for employees. For example, CIC Ouest has set up the possibility for its employees to reserve places in daycare and in 2022 Crédit Mutuel Antilles-Guyane launched a sports commission to combat the sedentary lifestyle of its employees.

Remote work

In addition to the measures described above, the framework agreement provides for the introduction of regular and voluntary remote work according to two possible schemes: a maximum of 22 days of remote work per year and/or a minimum of one day of remote work per week.

Indeed, considering remote working as a factor of improvement of employees' QWL, this form of work organization has been set up by the said agreement, it is then up to the companies to ensure its local implementation.

(1) Scope of Cap Compétences including the Crédit Mutuel Alliance Fédérale federations, CIC banks, French social base subsidiaries and certain foreign subsidiaries. In the denominator: employees on open-ended contracts as of October 31, 2023 of the group's entities under the common social base. Apprentices, work-study students and professional training contracts are excluded, as are employees who were absent (long-term absences, maternity leave, end-of-career leave, unpaid leave) as of December 31, 2023. In the numerator: employees identified as trained who were able to follow these training courses until December 31, 2023, with the exception of employees who joined the group after October 31, 2023 and therefore not registered for the training.

All companies that fall under the group agreement, parties to the framework agreement of October 28, 2020, have therefore implemented remote working after negotiations and this, from 2021.

In May 2022, the second edition of the *#haveyoursay!* barometer was held, gathering the opinions of employees, particularly on their working conditions.

On this occasion, it emerged that the implementation of remote working was appreciated by the employees but was considered to be too formal in its access. Employees expressed the desire for greater flexibility and fluidity in the implementation of remote working.

In this context, Crédit Mutuel Alliance Fédérale wished to change the remote working system and therefore proposed to the representative trade unions to enter into discussions in order to revise the current agreement with the main aim of easing access to remote working for employees. An amendment to the framework agreement was signed on November 24, 2022, which provides for the following changes:

- reducing the length of service within the group to be eligible for regular remote working;
- the removal of the length of service condition in the position in the event of employee mobility;
- a new, broader definition of the remote worker's home.

These changes illustrate the group's commitment to the quality of life at work and the work-life balance of its employees.

3.7.4 Promoting strong social dialog

The organization of social dialog, collective bargaining and the procedures for reporting, negotiating and consulting with staff respond to the desire to work in close collaboration with all the company's stakeholders and to ask the group's priority questions about the strategic topics.

This commitment is reiterated in the strategic plan, which clearly includes high-quality, local social dialog as a key driver to achieve our goals. A certain number of subjects give rise to group agreements but most of the dialog takes place locally, in a responsible manner and as close as possible to the field. Employee representatives are closely involved in decisions.

Within Crédit Mutuel Alliance Fédérale entities, local social dialog is built mainly with the following bodies and contacts:

- the Social and Economic Committee (SEC) and any commissions, including the CSSCT, dedicated to health, safety and working conditions. the main responsibilities of the SEC are:
  - to ensure that employees voices are heard, that their interests are taken into account at all times in decisions relating to the management and economic and financial development of the company, the organization of work, professional training and production techniques,
  - to promote health, safety and the improvement of working conditions in the company,
  - to present to the employer individual and collective complaints relating to wages, the application of the French Labor Code and other legal provisions concerning social protection in particular, as well as conventions and agreements applicable in the company.

In this respect, the SEC is informed and consulted on the following topics:

- the company's strategy;
- the company's economic and financial position;
- the company's social policy, working conditions and employment;
- from time to time, on topics falling within its remit, such as reorganization projects;
- local representatives set up in various geographies or multi-site entities to maintain proximity to the field. They support the SEC. In particular, they can convey the local concerns of employees and contribute to the resolution of local issues;
- the union representatives, who are the employer's preferred contacts for negotiating company agreements.

In addition to all these bodies, union representatives are also appointed within the scope of the entities covered by the group agreement. These are the group union representatives (DSGs), who are responsible for negotiating the agreements applicable within the companies covered by the group agreement. Their role is specified in the group agreement on trade union rights of December 5, 2018, amended by addendum on June 23, 2022.

In 2023, numerous agreements were signed with the DSGs, proof of a strong social dialog within Crédit Mutuel Alliance Fédérale. These agreements include *inter alia* the following:

- amendment No. 4 to the group agreement (relating to new job creation);
- the group agreement on GEPP;
- the wage agreement;
- the group agreement on a value-sharing premium paid in 2023.

3.7.5 Promotion and respect for provisions of the fundamental conventions of the International Labor Organization

- Respect for freedom of association and the right to collective bargaining: Crédit Mutuel Alliance Fédérale entities hold their professional elections at the required intervals (except in exceptional cases due to their size). They hold regular meetings of their employee representatives (Social and Economic Committee, Health, Safety and Working Conditions Committee) and other mandatory or optional SEC committees. The employers of the entities in the scope of the indicators have not been convicted of any obstruction offenses. Several agreements (group agreement on trade union rights, group and company agreements on the operation of SECs) set out the resources made available to employee representatives and union representatives and specify the rules for professional development of employee representatives.
- Elimination of discrimination in employment and occupation: in accordance with the law, Crédit Mutuel Alliance Fédérale's social policy focuses on promoting the elimination of such discrimination, in particular through the actions described in Section 3.6.1.
- Elimination of forced or compulsory labor and effective abolition of child labor: Crédit Mutuel Alliance Fédérale does not use forced or compulsory labor or child labor in its foreign branches and subsidiaries.

3.7.6 Employment

Total workforce

Crédit Mutuel Alliance Fédérale had 77,283 employees [1] at the end of 2023, including over 62,300 working in France.

Hires

New hires on open-ended contracts mainly take place in the Crédit Mutuel and CIC networks as well as in the Euro-Information subsidiary. Two dedicated career websites highlighting job offers, professions, employee testimonials and the commitments of Crédit Mutuel Alliance Fédérale's human resources. In addition, employer brand communication campaigns support the recruitment process throughout the year.

A career space dedicated to employees also makes it possible to boost and simplify mobility within the group. In order to better support employees in the case of intra- and inter-company mobility, Crédit Mutuel Alliance Fédérale's human resources department has signed two framework agreements with *MUTER-LOGER* and CSE Executive Relocations. There is no obligation for both the employer and the employee to call on any of these companies, which, as professionals, have experience, recognized competence and know-how in job mobility assistance services.

Quantitative data

WORKFORCE

Indicator code	Indicator label (no.)	2023	2022
SOC01_bis	Workforce on the payroll	74,417	74,723
SOC01_F201	Workforce: Female managers on open-ended contracts – France	12,509	11,635
SOC01_F202	Workforce: Women non-managers on open-ended contracts – France	20,498	20,898
SOC01_F203	Workforce: Women managers on fixed-term contracts – France	74	48
SOC01_F204	Workforce: Women non-managers on fixed-term contracts – France	1,823	1,745
SOC01_H211	Workforce: Men managers on open-ended contracts – France	15,482	14,966
SOC01_H212	Workforce: Men non-managers on open-ended contracts – France	10,047	10,318
SOC01_H213	Workforce: Men managers on fixed-term contracts – France	94	72
SOC01_H214	Workforce: Men non-managers on fixed-term contracts – France	1,474	1,481
SOC01_F205	Workforce: Women abroad	6,816	7,507
SOC01_FM205	*of which: Women in managerial functions*	951	*1,211*
SOC01_FNM205	*of which: Women without managerial functions*	5,865	*6,296*
SOC01_H215	Workforce: Men abroad	5,600	6,053
SOC01_HM215	*of which: Men in managerial functions*	1,382	*1,714*
SOC01_HNM215	*of which: Men without managerial functions*	4,218	*4,339*

(1) Entities managed by the human resources department including the consolidated and non-consolidated entities of Crédit Mutuel Alliance Fédérale.

BREAKDOWN OF EMPLOYEES BY GENDER AND AGE

Indicator code	Indicator description	2023
SOC88	**Workforce < 25 years old**	**5,221**
	Men < 25 years old	2,369
SOC89	Women < 25 years old	2,852
SOC90	**Workforce 25-29 years old**	**7,457**
	Men 25-29 years old	3,277
SOC91	Women 25-29 years old	4,180
SOC92	**Workforce 30-34 years old**	**9,165**
	Men 30-34 years old	3,896
SOC93	Women 30-34 years old	5,269
SOC94	**Workforce 35-39 years old**	**10,144**
	Men 35-39 years old	4,109
SOC95	Women 35-39 years old	6,035
SOC96	**Workforce 40-44 years old**	**11,152**
	Men 40-44 years old	4,439
SOC97	Women 40-44 years old	6,713
SOC98	**Workforce 45-49 years old**	**9,796**
	Men 45-49 years old	4,220
SOC99	Women 45-49 years old	5,576
SOC100	**Workforce 50-54 years old**	**8,737**
	Men 50-54 years old	4,161
SOC101	Women 50-54 years old	4,576
SOC102	**Workforce 55-59 years old**	**7,726**
	Men 55-59 years old	3,525
SOC103	Women 55-59 years old	4,201
SOC104	**Workforce 60 years old and older**	**5,019**
	Men 60 years old and older	2,701
SOC105	Women 60 years old and older	2,318

HIRES

Code	Indicator description	2023	2022
SOC13	Recruitment: total number of hires	14,412	19,026
SOC15	Women hired	7,905	10,120
SOC16	Hires with open-ended contracts	6,466	9,164

DISMISSALS

Code	Indicator description	2023	2022
SOC19	Number of employees with open-ended contracts that left the organization (all French and foreign entities including group mobility)	5,820	6,385
SOC20	Of which number of employees with open-ended contracts that quit the organization (layoffs)	877	885

COMPENSATION AND CHANGES IN COMPENSATION [1]

Code	Indicator description	2023	2022
SOC73	Gross payroll expense excluding employers' contributions	€3,642m	€3,482m
SOC107	Total gross annual compensation of employees with open-ended contracts	€3,515m	€3,370m
SOC108	Total gross annual compensation of employees with open-ended contracts – non-managerial level	€1,410m	€1,373m
SOC109	Total gross annual compensation of employees with open-ended contracts – managerial level	€2,105m	€1,997m
SOC80	Total amount of social security contributions paid	€2,028m	€1,811m

(1) *2023: excluding foreign entities of La Française Group.*

ORGANIZATION OF WORK TIME

Code	Indicator description	2023	2022
SOC29	Number of full-time employees with open-ended or fixed-term contracts (including full-time parental leave)	65,992	66,086
SOC30	Number of part-time employees with open-ended or fixed-term contracts and managers with reduced day package	8,425	8,637

ABSENTEEISM[1]

Code	Indicator description	2023	2022
SOC38	Total number of days of absence	860,461	955,066
SOC39	Number of days of absence due to illness	843,342	935,816
SOC40	Number of days of absence due to workplace accidents	17,119	19,250
SOC44	Number of declared workplace accidents with medical leave	386	468

(1) *2023: Excluding La Française AM Finance Services branches.*

TRAINING [1]

Code	Indicator description	2023	2022
SOC46	Total payroll expense invested in training (payroll expense for training) in € millions	204.4	175.8
SOC47	Percentage of payroll expense allocated to training	5.6%	5.0%
SOC48	Number of employees who received training	72,217	72,454
SOC49	Percentage of employees trained	97.1%	97.0%
SOC50	Total number of hours allocated to employee training	2,691,896	2,553,100

(1) *2023: Excluding La Française Group UK and branches of La Française AM Finance Services.*

EQUAL TREATMENT

Code	Indicator description	2023	2022
SOC68	Number of disabled workers in the total workforce	2,574	2,291
SOC39	Percentage of workers with disabilities in the total workforce	3.5%	3.1%
SOC63	Percentage of women among managerial promotions or similar[1]	44.4%	40.5%

(1) *Permanent contract, fixed term contract in France and abroad.*

3.8 ENVIRONMENTAL AMBITION

3.8.1 Reduce the environmental impact of the group

Aware of its role in the service of the economy and development, Crédit Mutuel Alliance Fédérale is committed to conducting all of its activities in a responsible manner. Consideration of environmental issues in carrying out its business is one of the principle areas of focus of its sustainable development policy.

Internal carbon footprint (excluding financing)

Crédit Mutuel Alliance Fédérale is committed to reducing its carbon footprint [1] in France by 30% by the revised 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!)

In 2018, Crédit Mutuel Alliance Fédérale commissioned a specialist firm to support it and chose to apply the ISO 14064 [2] standard, which provides a framework for accounting and reporting greenhouse gas emissions on the office life scope. The internal carbon footprint is published for all Crédit Mutuel Alliance Fédérale entities located in France, with a one-year lag.

During the 2023 fiscal year, work continued on making data more reliable, and a survey was carried out among employees to refine the calculation of emissions linked to commuting.

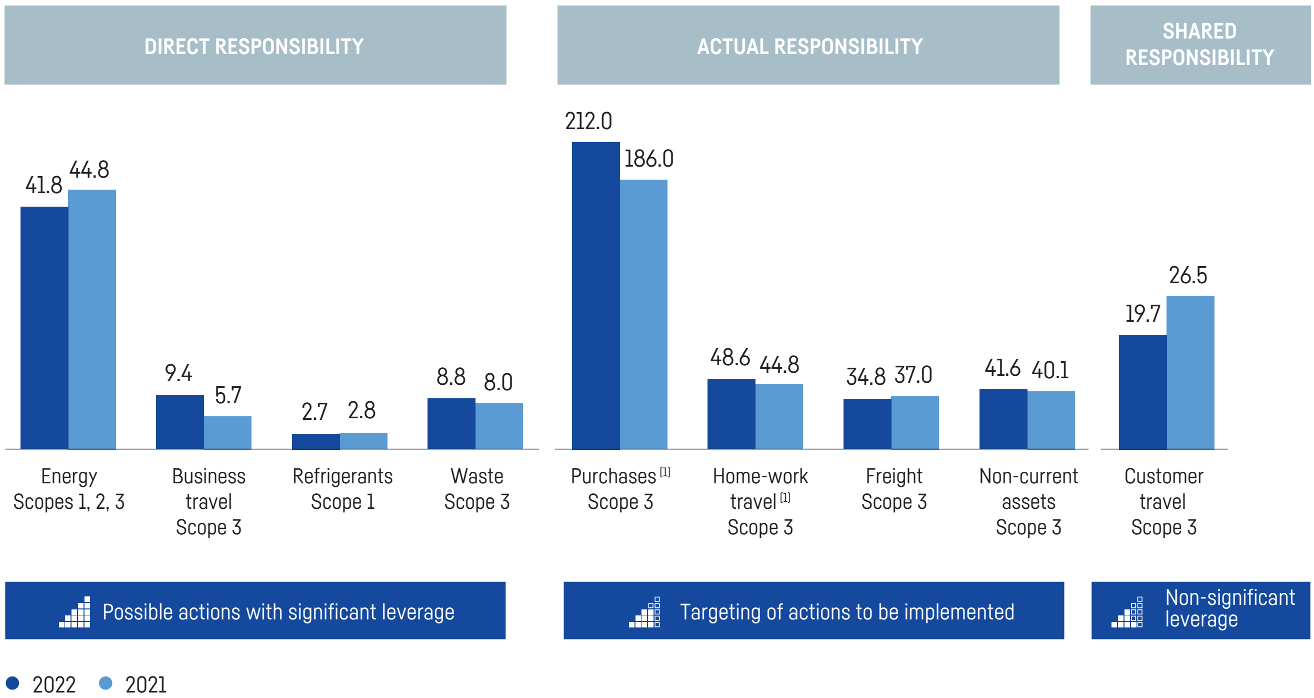
(1) This target covers the following items: energy (gas, electricity), motor fleet, refrigerant gas leaks and business travel.
(2) The first two parts of the standard are applied: 14064-1 and 14064-2.

COMPARATIVE ANALYSIS OF FRANCE'S CARBON FOOTPRINT *(IN KTCO2EQ)*, OFFICE LIFE SCOPE

The footprint for 2022 includes that of CMNE, unlike 2021.

Excluding restatement of scope

2022: 419.4 kTCO_2eq
2021: 395 kTCO_2eq



in Ktco$_2$	2022	2021
Scope 1	21.5	22.6
Scope 2	12.5	13.6
Scope 3*	385.4	359.5
TOTAL	**419.4**	**395.7**

** Excluding emissions linked to financing.*

Scopes 1 and 2 emissions decreased by 5% and 8% respectively, while those of scope 3 increased by 7% between 2021 and 2022.

The main sources of emissions in 2023 are purchases (51%), home-work travel (12%) and non-current assets (10%).

The 6% increase in the total footprint between 2021 and 2022 is due to:

- an increase in purchases;
- an increase in business travel, particularly by plane and personal vehicle;
- an increase in home-work travel.

Concerning the strategic plan's objective of reducing the carbon footprint by 30% on a more reduced scope, it was achieved with a reduction rate of 30.4% between the reference footprint of 2018 and that of 2022 on a like-for-like basis.

Carbon contribution policy

Until 2023, a carbon footprint offsetting mechanism existed: a contribution was calculated for all entities according to their carbon footprint, based on emission items where improvement actions are possible. These voluntary contributions made it possible to endow the Crédit Mutuel Alliance Fédérale Foundation created at the beginning of 2021, whose aim was in particular to support the financing of projects with a high climate impact. In addition, there was a second level of contribution linked to the carbon footprint of the corporate customer, asset management and insurance portfolios. In 2023, Crédit Mutuel Alliance Fédérale has reinforced its status as a major player in corporate philanthropy and has mobilized the societal dividend to reinforce its philanthropy actions and multiply the resources allocated to the foundation.

Carbon footprint tool available to customers

With its service, My Carbon Footprint, Monabanq provides its customers with a real-time estimate of their carbon footprint and enables them to act in favor of the environment. Accessible from the Monabanq mobile application and from the customer area on the remote banking website, the My Carbon Footprint feature calculates the greenhouse gas (GHG) emissions associated with expenses recorded as deductions from the deposit account. Each expenditure is estimated in kg of CO2. This calculation is defined according to lifestyles and spending sectors: housing (water, gas, electricity, etc.), transport (gasoline), daily services (telephone subscriptions, Internet, etc.) and daily expenses such as food. Once the results are in, users can improve their score by changing their consumption choices, for example.

Actions to reduce Crédit Mutuel Alliance Fédérale's carbon footprint

Implementation of an energy sobriety plan

Faced with climate change and the risk of an energy shortage, in October 2022 Crédit Mutuel Alliance Fédérale launched an energy sobriety plan based on four major actions:

- heating reduced to a strict minimum: as heating is the main factor in reducing energy consumption (33% of a branch's energy consumption), the temperature of the premises is limited to 19°C, both in the head offices and in the Crédit Mutuel and CIC branches. Strict measures to limit air conditioning have also been taken;
- extinction of illuminated signs and office lighting outside working hours: all illuminated signs at the head office, the Crédit Mutuel local banks and CIC branches are switched off, day and night. This measure was applied by November 1 for structures requiring technical adaptations. In addition, the lights of the premises are switched off at the end of the service. Overall lighting represents 15% of the energy consumption of a bank branch;
- collective organization of eco-friendly actions: as reducing energy consumption is everyone's business, the group's employees are trained in eco-friendly actions and waste management. Together, they can implement impactful actions. As an example, the Christmas decorations have been revised to continue to celebrate the holiday season without the use of electric lights;
- reduction and adaptation of travel.

The plan adopted extends the actions already undertaken by Crédit Mutuel Alliance Fédérale in favor of the energy transition and described below.

ISO 50001 certification

As part of the National Low-Carbon Strategy, the building sector must reduce its energy consumption by 60% by 2050. To help achieve this objective, Crédit Mutuel Alliance Fédérale has set up an energy management system.

This system, set up by the business line subsidiary CCS, certified ISO 50001 in December 2020, monitors the energy performance of all tertiary buildings (reference year 2018), its datacenters, as well as the motor fleet.

The certification was renewed in October 2023. The audit focused on the integration of the CMNE and CMMC entities into the scope). The result is that the system is still improving.

2023 was marked by the preparation of the new energy policy and the resulting objectives, in line with the 2024-2027 strategic plan. Significant work on the structuring and reliability of data continued and was strengthened with the arrival of a dedicated resource within the energy team. All performance targets were met in the areas covered by the certification. The energy sobriety measures of autumn 2022 were a major contributor.

Work in 2024 will focus on the renewal of ISO 50001 certification by continuing the approach initiated, in particular on:

- deploying a tool to monitor the energy performance of branches;
- recruiting, integrating and upgrading the skills of new employees in charge of energy performance (eco-energy referents);
- continued piloting of on-board telematics for the motor fleet.

Recommendations for temperatures and buildings

These recommendations are based on the energy code and the NF EN ISO 7730 standard and will enable more than 90% of employees to be in a comfort zone. For optimal comfort, the temperature range can be adjusted by ±2°C using a remote control.

The new set points allow a gain of 1°C on average over the year, including the possibility of a ±2°C variation. For ADEME, this translates into 7% energy savings.

INDOOR TEMPERATURE SETTING

	Winter		Summer	
	Day	Night	Day	Night
	7 a.m.-7 p.m.	7 p.m.-7 a.m. and weekend	7 a.m.-7 p.m.	7 p.m.-7 a.m. and weekend
Office and meeting rooms	19°C	16°C (gradual rise in temperature at the end of the period)	26°C	Temperature drift limited to 30°C
IT room, telephony, security, electricity (LITSE)	Room to be heated if temperature < 16°C		Room to be cooled if temperature > 30°C	

Tertiary decree

The tertiary sector decree resulting from the Elan law requires companies to make energy savings in tertiary sector buildings of over 1,000 m^2. It aims to ensure that owners and tenants act together to limit the energy consumption of buildings. Two paths are possible: reaching a threshold in absolute value set by order of the Ministry of Ecological Transition or reducing energy consumption by 40% by 2030, 50% by 2040 and 60% by 2050.

Crédit Mutuel Alliance Fédérale has organized itself to meet these commitments. Of the 4,712 buildings monitored in its energy management system, 810 are subject to the tertiary sector decree and their 2020 and 2021 energy consumption has been declared no later than December 31, 2022 on ADEME's Observatory of Energy Performance, Renovation and Tertiary Sector Actions.

Partnership with Voltalia

Crédit Mutuel Alliance Fédérale has signed a 25-year contract with Voltalia, a French producer and reseller of renewable energies for the supply of green energy. The agreement provides for the construction in France of a solar energy production plant whose projected production volume will represent approximately 5% of the group's total electricity consumption. Installed in the PACA region, on salty land unsuitable for agriculture, the park will be equipped with solar panels produced by Voltec Solar, an Alsatian company. Its commissioning is scheduled for the last quarter of 2024. This partnership illustrates Crédit Mutuel Alliance Fédérale's desire to reduce its carbon footprint and to be a responsible actor of change, from a social and environmental point of view.

Business travel policy

With regard to the vehicle fleet, the catalog is enriched each year with new models that emit less CO2 and are more energy-efficient.

These decisions have been supported by an internal advertising campaign to encourage a reduction in the number of kilometers traveled notably by producing reports and recommendations to restrict business travel. In addition, eco-driving training, which teaches employees how to optimize energy consumption, is included in the training plan for all 2023 group entities.

The travel policy gives priority to public transport and carpooling, and encourages the use of bicycles through the introduction of company travel plans in certain group entities. It also encourages employees to reduce the environmental impact of their journeys by restricting air travel in favor of rail. On certain journeys that can be made by train, air travel is no longer offered in the travel booking tool.

These guidelines aimed at reducing the environmental impact of business travel by reducing the use of air transport were continued with the adaptation, in November 2022, of the group travel policy and travel reservation tools, such as:

- the use of air travel is subject to hierarchical agreement for journeys that can be completed in less than five hours by train;
- it is recommended that meeting/training locations be accessible by rail for the majority of participants.

The group's strategy was rewarded at the Grands Prix de l'Eco mobilité organized by TGV Inter cités, with the "Evolution" award for the company with the greatest increase in sustainable mobility between 2020 and 2021.

In addition, employees can benefit from the sustainable mobility package, which is part of the implementation of remote working set by the quality of life at work framework agreement signed in 2020. This system offers a wider choice of mobility solutions (personal bikes, light motorcycles, electric scooters for hire, carpooling) and promotes alternative modes to private cars, thus reducing the environmental impact of commuting. In 2023, the mobility package was paid to 11,986 people.

In addition, in 2022 Crédit Mutuel Alliance Fédérale launched its own inter-city carpooling platform.

Since 2019, the number of kilometers traveled on business trips using the motor fleet or other means of transport has fallen by 9%.

Upstream and downstream freight transport

The gradual switch from carriers managed by CCS to so-called clean vehicles has begun with the integration in the calls for tenders of network shuttles (transport between branches and head offices) of "greening" criteria for their fleet. 80% of the Île-de-France network shuttles within Paris have been electrified in order to reduce the carbon footprint of its members' transport.

The frequency of visits to branches is now reduced (5 days out of 7 instead of 6 days out of 7).

Management of resources

Selective and participative sorting for the recycling of the five main types of waste (paper, plastic, metal, wood and glass) has been introduced for all sites with more than 250 employees. This project, which makes it possible to meet the requirements of the decree of the August 17, 2015 law on energy transition for green growth, has been extended in 2022 to several head office sites with fewer than 250 occupants.

In 2023, selective and participative sorting was extended to new materials. Thus, the recovery of coffee capsules in the Ile-de-France networks enabled the collection of a 160-liter dumpster every two weeks.

A policy for managing emails, paper printing and videoconferencing has been in place since 2019 at all group entities. A procedure on the use of emails was drafted to encourage employees to reduce their number and limit the number of attachments. Software to enable a new method for managing shared peripheral printing equipment has been deployed. The goal is to measure the ecological footprint of prints, encourage users to be more responsible, and limit prints.

In 2023, Caisse Fédérale de Crédit Mutuel and Euro-Information organized the operation "Clean your desk" for all Crédit Mutuel Alliance Fédérale entities. This operation invites employees to optimize their digital carbon footprint by reducing and eliminating files and emails. It removed over 17 million digital files totaling some 16,000 Go.

The fight against food waste

Strict management of raw materials and waste from the meals served each day has been set up on the inter-company restaurant on the Wacken site. Bio waste is recovered through composting with a local company. The number of dishes served is also adapted according to various criteria such as seasonality, number of people potentially present, taking into account HR data, including training, holidays and various hazards such as weather or other events likely to reduce the number of visitors to the restaurant.

Raising employee awareness

A dedicated PIXIS universe, "Being an eco-citizen at work!" is deployed on all employee workstations to encourage Crédit Mutuel Alliance Fédérale's staff members to take simple and effective actions to protect their environment and participate in reducing the energy footprint.

The tool also provides information on all initiatives: launch of gray recycled paper, use of certified envelopes, adoption of eco-friendly checkbooks on mixed FSC paper, calculation of the carbon footprint of printouts per employee, etc. The "Being an eco-citizen" universe is accessible to all elected members.

At the same time and in order to strengthen communication, a community, Being an Eco-citizen at work, was created on the company's social network. This new medium aims to make exchanges around the SMR approach more dynamic. Each employee can post his or her own ideas, share best practices, publish an article etc. This fun tool facilitates interaction and the wider dissemination of the group's communications and events.

A number of training courses were delivered to reinforce knowledge of ESG issues. Since 2022, specific training has been designed and delivered for future local bank managers. The School for directors includes a two-hour training module. The aim is to enable participants to:

- understand the challenges of CSR and sustainable development;
- be aware of the SMR approach so that they can raise awareness among their employees;
- mobilize employees around concrete actions and adopt eco-friendly actions in the office;
- communicate on Crédit Mutuel Alliance Fédérale's environmental policy;
- support customers in their ecological transition.

In 2022, a schedule was put in place to provide a significant number of training sessions and promote better knowledge of sustainable development issues for employees of the bank's various activities. To this end, all CIC and BECM corporate customer relationship managers impacted by this change were trained as part of the roll-out of ESG criteria.

An e-learning module was included in the compulsory employee training course to be completed in 2023. This training is a first awareness of the SMR approach in order to better understand the issues, the objectives of the sectoral policies and the ESG criteria.

In response to the importance of environmental policy in the bank's business, all corporate customer relationship managers were invited to take part in a two-hour webinar to learn about climate risks, regulatory issues, ESG criteria and sectoral policies, and commercial offers to support corporate customers.

The changes indicated in the tables below are on a like-for-like basis.

Environmental Indicators

ENERGY CONSUMPTION

Code	Indicator description	2023	2022	Change 23/22
ENV05	Total energy consumption kWh[1]	348,780,450	385,924,070	-9.2%
ENV06	*of which electricity kWh*	280,922,208	308,098,346	-8.4%
ENV07	*gas[1] kWh*	49,478,001	53,292,829	-7.0%
ENV08	*fuel oil[1] kWh*	2,952,033	4,344,285	-32.0%
ENV05_01	*district heating network kWh*	13,246,021	17,298,354	-23.4%
ENV05_02	*district cooling network kWh*	2,162,747	2,812,496	-23.1%
ENV05_03	*wood pellets kWh*	*19,440*	*77,760*	ns

Excluding La Française Group entities abroad.
[1] 2022 data reviewed.

VISO CONFERENCES

Code	Indicator description	2023 *	2022 **	Change 23/22
ENV32	Number of videoconferences	2,268,240	2,582,182	-10.0%

**2023: excluding foreign entities of La Française Group.*
***2022: excluding entities of La Française Group.*

RECYCLED PAPER AND TONER CARTRIDGES

Code	Indicator description	2023	2022	Change 23/22
ENV15	Recycled used paper as output (waste)[1]	4,737	5,023	-5.0%
ENV16	Number of used toner cartridges recycled after use	42,525	59,688	-22.0%

Excluding La Française Group entities abroad.
(1) 2022 data reviewed.

WATER CONSUMPTION

Code	Indicator description	2023	2022	Change 23/22
ENV32	water consumption (m3)	515,815	468,512	12.4%

Excluding La Française Group entities abroad.

PAPER CONSUMPTION

Code	Indicator description	2023*	2022	Change 23/22
ENV09	Total paper consumption	5,469	6,227	-11.9%
ENV15R	Total recycled paper purchased	1,039	1,216	-14.6%

Excluding La Française Group entities abroad.

Actions to reduce Crédit Mutuel Alliance Fédérale's credit portfolios' carbon footprint

Most of the CO2 emissions produced by the activities of Crédit Mutuel Alliance Fédérale entities come from the products and/or services offered to customers. The purpose of calculating the carbon footprint of credit portfolios is to analyze the weight (CO2 impact) of each financing operation in determining the direction to take to decarbonize the economy, and to focus on the most virtuous companies in this area. Particular attention is paid to sectors with high stakes for the energy and climate transition, in order to define the strategies to be deployed.

As part of the revised strategic plan, Crédit Mutuel Alliance Fédérale is strengthening its environmental ambitions and committing to reduce the carbon footprint of its corporate and investment credit portfolio by 15% by 2023. The purpose is to integrate "carbon" challenges into investment policies and to measure those with high emissions in order to establish a constructive dialog with the businesses concerned.

Crédit Mutuel Alliance Fédérale selected La Française Asset Management (risk department) to measure the carbon footprint of its credit portfolios. The risk department has a team of ESG data analysts who have established a proprietary methodology to quantify carbon emissions.

Analysis methods:

- scope restricted to companies (excluding retail and SCIs);
- exclusions: central governments, local authorities, sovereigns and project financing from *ad hoc* companies;
- outstandings used in the corporate loan portfolio excluding off-balance sheet items;
- the company greenhouse gas data used in the calculations are, for the calculation carried out this year, one year out of date, as the data for year N were not yet available at the time the calculations were carried out. Previous years' calculations were based on N-2 greenhouse gas data.

The scope covered by carbon data, published or calculated by proxy, represents 67% of exposures, *i.e.* nearly 2,500 counterparties for which consolidated financial data were available. The results distinguish three types of carbon indexes expressed in metric tons of CO2 per million euros.

The first index, the carbon footprint, provides information on the amount of greenhouse gas that the company generates in proportion to the bank's contribution to the amount of loans granted to it by the bank. The second, carbon intensity, gives a relative indication of the quantity of greenhouse gases generated per million euros of revenue generated, and thus makes it possible to account for the degree of greenhouse gas emissions generated by the company, particularly in relation to its competitors in the sector or from one sector to another. The third, weighted average carbon intensity, shows the degree of greenhouse gas emissions of the portfolio as a function of the weight of the outstanding amounts per counterparty in the portfolio. This indicator allows for a detailed analysis of the financing choices to be made to support certain sectors to invest towards business models that respect the energy transition.

Results:

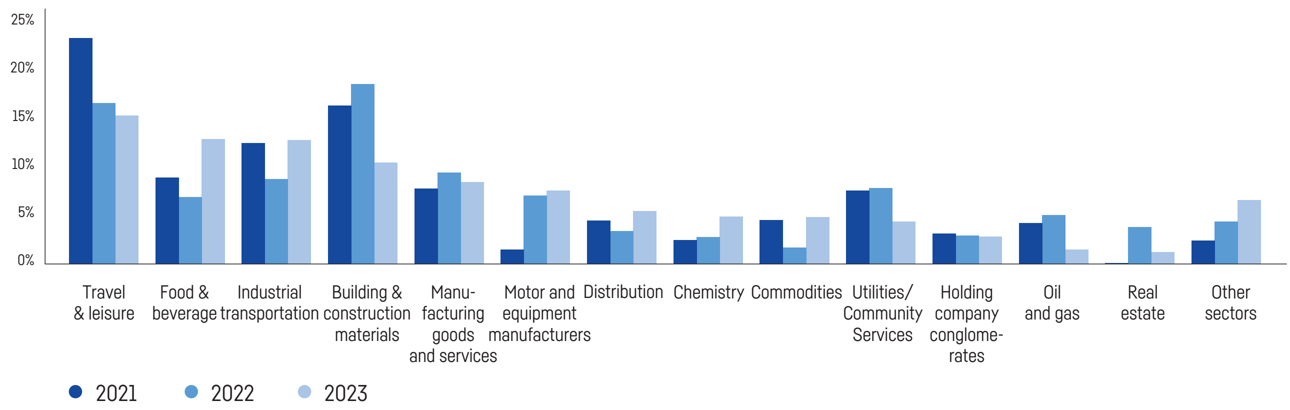
The target of reducing the carbon footprint of the corporate loan portfolio by 15% was exceeded: between 2018 and 2023, the footprint decreased by 57.6%.

Between 2022 and 2023, the carbon footprint of financing fell by 6.5% on the basis of a broader scope (+21% of counterparties covered). This decline is mainly due to a drop in outstandings in certain sectors that are more carbon-intensive than average (such as air transport and construction), but also to lower emissions by counterparties. A sharp decrease in the carbon footprint of financing (-37%) was observed between 2021 and 2022. This was mainly explained by the decrease in activity of companies in 2020 due to the pandemic (the greenhouse gas data used correspond to the year 2020), but also by an improvement in the coverage of the portfolio by carbon data from low-emission French companies.

The geographic distribution matches the profile of Crédit Mutuel Alliance Fédérale's corporate customers which is focused on accompanying French companies: 71.3% of the carbon footprint is focused on French companies compared to 68.5% in 2022 and 56% in 2021.

	2023	2022	2021	2020	2019	2018
Carbon footprint (tCO_2/€m lent)	148.0	158.2	251.3	256.6	286.0	348.6
Carbon intensity of the portfolio (total emissions/total revenue)	88.5	124.3	175.5	209.3	288.0	351.0
Weighted average carbon intensity (Portfolio weight x Carbon intensity)	258.2	268	281.0	299.1	286.9	387.1

SECTOR BREAKDOWN OF THE CARBON FOOTPRINT



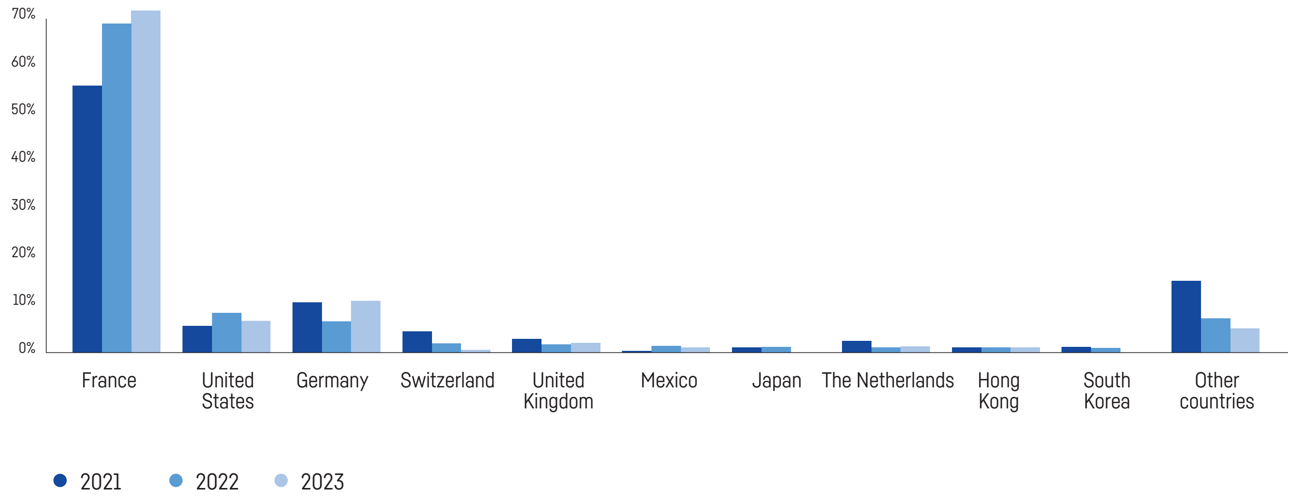
The most emissive sectors are travel and leisure - including airlines, industrial transportation, agri-food, and building and construction materials, which account for 52% of the portfolio's carbon footprint.

The breakdown of the portfolio's carbon footprint in 2023 compared to 2022 is mainly marked by a decrease in the share of the building & construction materials sector and an increase in the share of the agri-food (linked, among other things, to the fact that more companies from this sector were included in the calculation this year) and industrial transportation sectors.

COMPARISON OF THE THREE SECTORS WITH THE HIGHEST EMISSIONS

Segment	% in the hedged portfolio	% in the carbon footprint
Travel & leisure	5.4%	15.5%
Agri-food & beverage	10.6%	13.0%
Industrial transportation	5.2%	12.9%

GEOGRAPHICAL BREAKDOWN OF THE CARBON FOOTPRINT



In 2023, the improvement in portfolio coverage mainly benefited French companies. The share of French companies increased to 71.3% of the carbon footprint of the analyzed portfolio in 2023 (*vs*. 68.5% in 2022 and 55.6% in 2021).

Commitment to decarbonizing the shipping portfolio

CIC, a subsidiary of Crédit Mutuel Alliance Fédérale, is a signatory, since 2019, to the "Poseidon Principles". These provide for the integration of climate assessment criteria in lending decisions in the shipping industry. They help measure their impact and nudge operators towards significantly decarbonizing the shipping industry.

They form part of the strategy to reduce greenhouse gas emissions adopted by the Member States of the IMO in April 2018. The aim of this strategy was to reduce total greenhouse gas emissions from shipping by at least 50% by 2050, based on 2008 levels. In the longer term, it aimed for zero emissions.

CIC set itself the target of being below the International Maritime Organization (IMO) curve by 2025, based on the initial trajectory presented in 2021, as part of its maritime transport policy, which excludes the financing of all vessels carrying oil and dedicated to the transport of unconventional gas. As a signatory of the Poseidon Principles through CIC in 2019, Crédit Mutuel Alliance Fédérale set itself the objective of dipping below the IMO curve by 2025, as part of its maritime transport policy.

The alignment gap (%) between the CIC portfolio and the initial trajectory at December 31, 2022 was -4.00%.

In September 2023, the Poseidon Principles adopted the IMO's Revised 2023 Strategy, which proposed two new trajectories: a minimum trajectory and an ambitious trajectory.

The first trajectory corresponds to the minimum requirement of the revised strategy, with a 20% reduction by 2023 and a 70% reduction in well-to-wake GHG emissions by 2040 compared to 2008. The second trajectory corresponds to a reduction of 30% in 2023 and 80% in 2040 compared to 2008. This revised strategy has also led to two major changes in the calculation of climate alignment portfolios: the inclusion of all GHGs instead of just CO2, and the use of a well-to-wake basis instead of a tank-to-wake basis.

The alignment deviation (%) of the CIC portfolio from the trajectory corresponds to the minimum requirement of the revised strategy, at +22.76%.

3.8.2 Reinforce high quality and responsible service solutions and offers

Sustainable financing solutions to accelerate the ecological transition

The group provides specific offers and financing to support customer-members and businesses in their environmental approach. In addition to zero interest rate eco-loans, short-term and long-term energy saving loans, solidarity savings and the financing of renewable energy projects, Crédit Mutuel Alliance Fédérale offers subsidized loans to encourage growth and development of companies which have adopted a CSR approach or invested in practical measures to support sustainable finance and the energy transition.

Crédit Mutuel Alliance Fédérale therefore markets the Eco-Mobility offer for private individuals and professionals. The purpose is to accompany our customers and members in the ecological transition and to satisfy their needs for electrical or hybrid mobility and enable them to benefit from the subsidies for purchasing an electric vehicle (ecological bonus and/or conversion allowance). At December 31, 2023, Crédit Mutuel Leasing had financed almost €610 million worth of hybrid and electric vehicles. Crédit Mutuel Alliance Fédérale also launched a zero-interest bicycle loan. Loans granted amounted to €46.2 million at the end of December 2023.

The group wishes to underline its commitment to supporting innovative projects in the sustainable development field through its range of Transition loans for businesses by financing investment to help the company transform to a more “responsible” and more efficient economy. The new Transition range satisfies three objectives:

- accelerate the ecological transition of companies. The Energy Transition loan is designed for investments carrying energy savings, improved energy performance and reduced costs. Companies from all sectors are eligible for these investments (equipment, installation, devices, connected works, new products) which are sources of increased energy efficiency and a positive ecological effect;
- consolidate the CSR initiative of companies. The CSR Transition loan finances all the tangible and intangible investments inherent in a company’s social responsibility. It is aimed at companies which have already undertaken a CSR approach (CSR audit required) to finance initiatives to improve employees’ working conditions, save energy, transport and, beyond this, any action which is beneficial for the environment;
- help transform economic models. The Digital Transition loan assists customers with their digital transformation by financing investments to digitize the company’s activities. Companies can modernize their tools and/or transform their economic model with digital technology including by creating new products or services using new technologies: connected objects, artificial intelligence, robotics, etc.

To strengthen this system, the Industrial Transition loan has been added to the range to finance companies wishing to invest in property, plant and equipment or intangible assets that meet the spirit of the recovery plan initiated by the State based on four areas of focus: (re)locate strategic activities, decarbonize industry, modernize the production system and innovate by supporting investments in research and development.

In summary, the total outstanding loans granted as part of the Transition range amounted to nearly €1.8 billion at December 31, 2023.

The group also encourages companies to improve their sustainability performance by implementing Sustainability-Linked Loans (SLL) whose financial characteristics change depending on whether the borrower achieves social, environmental or governance objectives.

Responsible investment management *via* the asset management business line

Responsible commitments by asset management companies

Crédit Mutuel Alliance Fédérale is asserting its responsible investment strategy through its management subsidiaries. This diagram shows the main commitments signed by the asset management companies. Crédit Mutuel Alliance Fédérale also signed the Act For Nature commitment, which involves all group entities, including the management companies.

FIR Forum pour l'Investissement Responsable	**Forum for Responsible Investment (FIR)** Promote and develop responsible investment and its best practices in France	2004 2007	Crédit Mutuel Asset Management La Française Investing Together
PRI Principles for Responsible Investment	**Principles for Responsible Investment** Encourage the implementation of "Responsible Investment Practices" by asset management players, under the aegis of the United Nations	2010 2012 2017	Crédit Mutuel Asset Management La Française Investing Together BLI Banque de Luxembourg Investments
CDP	**CDP- Carbon Disclosure Project** Encourage companies to be transparent about environmental matters in order to create a common database	2010 2013	Crédit Mutuel Asset Management La Française Investing Together
OID	**Sustainable Real Estate Observatory (OID)** Independent forum for the real estate sector on sustainable development	2012	La Française Investing Together
Climate Action 100+	**Climate action 100+** Ensure that the world's largest emitters of greenhouse gases implement the necessary actions to combat climate change	2017	La Française Investing Together
Institut de la Finance Durable	**Institut de la finance durable** Federate and accelerate the actions undertaken by the financial institutions of the financial market and French companies to achieve the energy and environmental transition.	2019 2022	Crédit Mutuel Asset Management La Française Investing Together
Science Based Targets	**Science Based Target initiative (SBTi)** Support companies in reducing greenhouse gas (GHG) emissions by setting a "science-based" GHG reduction target and providing technical support	2019	La Française Investing Together
30% Club Growth through diversity	**30% Club France Investor Group** Promote gender parity in SBF 120 management bodies (at least 30% women on executive committees in 2025)	2020 2022	Crédit Mutuel Asset Management La Française Investing Together
Net Zero Asset Managers Initiative	**Net Zero Asset Manager Alliance** Support the target of net zero CO2 emissions by 2050 (or before) and support investments aligned with this target	2021	La Française Investing Together
Finance for Biodiversity Pledge	**Finance for Biodiversity Pledge** Commit to integrating biodiversity into asset management	2021 2022	Crédit Mutuel Asset Management La Française Investing Together
Business for Nature	**Business for Nature's call to Action** Calling on governments to adopt policies that protect nature	2021	Crédit Mutuel Asset Management
GIIN Global Impact Investing Network	**Global Impact Investing Network** Develop impact investing	2022	Crédit Mutuel Asset Management

Crédit Mutuel Asset Management, responsible savings solutions

Crédit Mutuel Asset Management deploys its responsible investment policy through an ESG integration system covering most of its funds. This approach is structured around several components: a proprietary non-financial analysis model based on ESG data providers, the application of sectoral policies, the monitoring of major controversies and regular dialog with issuers to help them improve their practices.

All of these measures are described in detail in the responsible investment policy published on the company's website:

- the responsible investment policy - Crédit Mutuel Asset Management.

The range of responsible and sustainable products extends across all asset classes and includes ESG-integrated funds (Art 8 or 9), labeled funds (SRI, Greenfin, CIES, Finansol) and solidarity funds. This offer is presented on the company's website:

- fund selection - Crédit Mutuel Asset Management.

ESG integration funds and SFDR classification

The majority of funds are managed using an ESG integration system and comply with the European criteria of the SFDR regulation Article 8 or 9. At December 31, 2023, 95% of the assets in open-ended funds were classified as Article 8 SFDR, compared with 66% for other funds (dedicated or employee savings funds).

CRÉDIT MUTUEL ASSET MANAGEMENT: SFDR CLASSIFICATION AT 12/31/2023

	OPEN-ENDED FUNDS				OTHER FUNDS: DEDICATED, EMPLOYEE SAVINGS, ETC.				TOTAL FUNDS			
SFDR classification	**Art 6**	**Art 8**	**Art 9**	**TOTAL**	**Art 6**	**Art 8**	**Art 9**	**TOTAL**	**Art 6**	**Art 8**	**Art 9**	**TOTAL**
in%	4%	95%	0.4%	100%	34%	66%	0%	100%	12%	88%	0%	100%
in € m				**56,732**				**19,113**				**75,845**

SRI funds

Socially Responsible Investment (SRI) is "an investment that aims to reconcile economic performance with social and environmental impact by financing companies and public entities that contribute to sustainable development, whatever their sector of activity" (source: AFG - FIR). This French government label indicates to investors which products meet demanding specifications in terms of transparency, ESG management quality and the selection of companies according to non-financial criteria.

At December 31, 2023, Crédit Mutuel Asset Management managed 53 SRI-labeled funds with total assets under management of €25.6 billion, representing one third of total assets under management. The list of SRI funds is available on the company's website :

- SRI funds - Crédit Mutuel Asset Management.

Greenfin funds

The management company offers two Greenfin-labeled funds:

- the CM-AM Green Bonds fund, launched in 2017 and aimed at retail and institutional customers, aims to help finance the energy transition by adopting an approach focused on projects with high environmental benefits. At least 85% of the fund is invested in green bonds.
- the CM-AM Global Climate Change fund, launched in June 2021, participates in financing the energy transition by investing in international companies that are leaders in the following green growth trends: sustainable mobility, renewable energy and energy efficiency, preservation of ecosystems and agents of change.

Solidarity investment

Crédit Mutuel Asset Management manages a range of ten so-called solidarity funds or "90-10" funds, as they are required to invest between 5 and 10% of their assets in organizations approved as "solidarity enterprises". This range of funds had outstandings of €1,583 million at December 31, 2023. In particular, the CM-AM Engagement solidaire fund was awarded the Finansol label in October 2022 and has benefited from ESUS accreditation since May 2022.

In addition, Crédit Mutuel Asset Management is gradually developing a range of shared profits units for non-profit organizations. This mechanism allows part of the financial performance linked to the share to be paid back in the form of donations. For example, in 2023, a shared profits unit was created for the SIEL BLEU association, which promotes health by encouraging physical activity among a primarily vulnerable population. In addition, the historical shared profits unit, in favor of the France Active association, has been consolidated in a fund, CM-AM Impact First Inclusion, making it possible to broaden the possibilities for raising funds.

Awareness-raising actions

As part of its educational role, the management company publishes regular information on its website aimed at raising investor awareness:

- a series of videos designed to raise awareness of sustainable and responsible finance;
- the Responsible Finance newsletter, a bi-monthly summary on a topical issue;
- white-papers: more detailed analyses of key issues (forests as ecosystems, biodiversity, CO2 capture, etc.).

Finally, a dedicated page on the company's website provides access to all documents relating to responsible finance:

- the world of responsible finance - Crédit Mutuel Asset Management.

La Française Group, an extensive range of SRI funds

La Française Group is a sustainable investor, taking into account the impact of its decisions and activities on society and the environment. The group offers SRI-labeled funds ranging from equities to real estate, including credit and government bonds.

La Française Group presents its policies and values on its website.

This presentation is completed by the Ethics & transparency code of Conduct, which presents the priorities, the ethical values applied and the commitments for the protection of customers and employees.

- in real estate, SRI-labeled funds represent 10% of La Française Real Estate Management's assets under management;
- in securities, SRI-labeled funds *(or FNG for Germany)* represent 42% of La Française Group's assets under management (LFAM, N2AM and LFSAM).

In total, labeled funds represent 21% of La Française Group's outstandings.

Assurances du Crédit Mutuel

The range of savings products offered by Assurances du Crédit Mutuel enables policyholders to invest in financial products that take into account the impact of the ecological transition on companies, but also on the environment and society. Assurances du Crédit Mutuel applies an ESG policy to the financial management of its euro funds in savings & retirement insurance. In terms of units of account, at the end of 2023, 92 funds promoting environmental and social characteristics, or integrating a sustainable investment objective – respectively within the meaning of Articles 8 or 9 of the European Disclosure Regulation – are offered to policyholders in savings & retirement insurance. More than 30 of these unit-linked products also have SRI, Greenfin or Finansol labels. All these funds have been rigorously selected for their environmental and/or social objectives.

In addition, savings & retirement insurance policyholders now have two delegated management solutions to help them achieve greater sustainability. Since 2020, the Pack Environnement 50 allows you to invest 50% of your savings in the Assurances du Crédit Mutuel euro fund and 50% in a SRI-labeled unit-linked product, CM-AM Sustainable Planet. This labeled fund invests in European companies that incorporate social and environmental responsibility criteria, and are committed to themes such as environmental efficiency, alternative energies, the circular economy, sustainable cities and transport, and living better. Since 2023, the Sustainable Managed Services offer has enabled investors to choose an allocation in thematic funds, with access to around ten funds and a choice of three profiles. The majority of the funds offered are invested in ESG-compliant companies active in the climate change, sustainable energy and job creation sectors.

In addition to its savings offers, Assurances du Crédit Mutuel also encourages its customers to reduce their carbon footprint through other offers:

- the Assur Velo offer, which covers the breakage and theft of conventional or electrically-assisted bicycles as well as bodily injury to cyclists, in order to promote the development of soft mobility;
- the Urban Mobility offer, designed in particular for electric scooters, which covers damage to others and bodily injury to the driver, to support alternatives to the car;
- the Mobility benefit, which covers motor policyholders free of charge for their home-to-work trips, even if they use public ground transportation or bicycles;
- the Carpooling Taxi benefit, which promotes eco-sharing by covering the cab costs of motor policyholders in the event of their vehicle being immobilized, whether the policyholder is carpooling as a driver or passenger;
- the "*Petit Rouleur*" (occasional driver) option, which offers a reduced rate for policyholders who drive less than 6,000 km a year, as an incentive to limit car journeys;
- cover for renewable energy and environmentally-friendly installations (such as electric vehicle charging points), either as part of the basic package or as an option within multi-risk property insurance;
- the option to extend the warranty on the repair of household appliances for property policyholders, in order to avoid replacing these goods for an additional five years.

3.8.3 Renewable energy financing trends

In 2023, CIC's project finance department (including the regional banks) [1] financed 26 renewable energy projects: five onshore wind farm projects, totaling almost 1,666 MW (located in France and the USA), two offshore wind farm projects in Europe representing almost 1,340 MW (Moray West wind farm in the UK and Saint-Nazaire wind farm in France), three biomass projects representing almost 138 MW (located in France), twelve solar projects totaling almost 1,142 MW (located in France), four energy storage projects totaling almost 1,307 MW (one in France, three in the USA).

The aggregate authorizations for renewable energy projects totaled €2.55 billion at the end of December 2023, an increase of 17% compared to the end of 2022. Excluding sub-participations, the aggregate authorizations for renewable energy projects amounted to €2.3 billion at the end of December 2023, up 16% compared to 2022.

The group's *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) 2019-2023 strategic plan sets a target of 30% for financing projects with a high climate impact. This objective initially concerns the corporate banking activity, notably through project financing. At the end of 2023, the growth rate was +79.6%. All projects financed strictly comply with the environmental standards of the host country. This financing is subject to an internal

(1) "Project funding" is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, as approved by the ACPR in October 2012, are used to set eligibility for deals in CIC Project Financing portfolio.

evaluation procedure that includes the ESG criteria described in the compliance plan (paragraph 3.11.3.3).

At the same time, outstanding renewable energy financing for customers of the Crédit Mutuel and CIC networks reached €1 billion at December 31, 2023.

Green Bond issue of BFCM

The group has a number of well-adapted issue programs, providing access to investors in the main regions at the international level through public and private issues. As part of Crédit Mutuel Alliance Fédérale's SMR strategy, backed by the goals of the strategic plan, the logical and voluntary decision to be part of a long-term Green Bond issuance program was taken to meet investors' expectations. After a first inaugural issue in 2020, a second issue was carried out in 2021, still focused on green assets (financing of renewable wind and solar projects and new residential buildings under the RT2012 standard). The aggregate amount of these two issues totaled €1.5 billion.

In addition, the team set up for this purpose chose to propose a reference framework defining assets eligible for "green" and social issues, enabling BFCM to strengthen its active approach to financing these business segments. Both these issues, whose implementation methods comply with the best market standards and which have been recognized for the transparency of the methodologies applied (calculation of emissions avoided, selection of eligible assets, etc.) were a great success among bond investors. As the Green Bond issued in 2020 included in the Bloomberg Barclays MSCI Green Bond Index of December 2020, the one issued in 2021 was included in the Bloomberg Barclays MSCI Green Bond Index of December 2021.

All documents are available on the website dedicated to investors: https://www.bfcm.creditmutuel.fr/fr/investisseurs/presentation.html

GREEN, SOCIAL & SUSTAINABLE BOND

Defining eligible categories

1. Green: Financing of wind, solar and biomass projects.
2. Green: Financing of residential housing meeting RT 2012 standards.
3. Social: Financing of companies in departments where the unemployment rate is above the national average, studies and vocational training.

Financing of electric vehicles for local authorities.

Identifying impact indicators for each category

1 & 2. Green: Calculation of avoided emissions.

3. Social: Promoting job retention in disadvantaged areas and access to education and vocational training.

Link with the Sustainable Development Goals.

Drafting the intervention framework

Green & Social Bond: Accurate definition of asset selection criteria in accordance with ICMA, GBP and taxonomic principles.

Presentation of the RSM strategy and objectives.

Methods for calculating performance indicators.

Performance reporting of selected assets.

Audit by a non-financial rating agency

Certification to obtain in order to guarantee investors the selection of assets, the process for calculating monitoring indicators and the quality of reporting.

Investor presentation

Issue

Reporting

3.8.4 Transition funds

In 2023, Crédit Mutuel Impact (formerly Crédit Mutuel Capital Privé) created the Révolution Environnementale et Solidaire fund and continued to roll out the Siloé Infrastructures fund.

Funded each year by Crédit Mutuel Alliance Fédérale's societal dividend, the mission of the Révolution Environnementale et Solidaire fund is to amplify the transformation of production models and to intervene in key areas of the climate and environmental transition where financial needs are very great and other players are not yet sufficiently present.

With a target of €1.5 billion by 2027, the Révolution Environnementale et Solidaire fund promotes ecological and social added value and sustainability. Its high-risk profile enables it to provide long-term support for projects involving technological breakthroughs, scaling-up or societal transformation. It is involved in the key areas of ecological planning: mobility, housing, agriculture, consumption, industry and biodiversity.

In 2023, the fund acquired Groupement Forestier Vosges Nord with a view to perpetuating its management model, which creates environmental value both in terms of preserving biodiversity and its capacity to sequester carbon (around 23,000 metric tons of CO2 sequestered per year). Investments have also been made in housing renovation and adaptation, new energy sources (osmotic, syngas), fossilization of non-recyclable waste, etc.

Through the contribution of equity (or quasi-equity), the SILOE Infrastructures fund finances long-term projects contributing to the development of regions in France and primarily targets projects related to the energy transition. The transactions carried out between 2020 and 2022 mainly financed wind and photovoltaic projects (whose renewable energy production capacity is gradually being rolled out to reach a production target of almost 4 GWp [1] by 2028/2029). Investments in 2023 were focused on the development of Electric Vehicle Charging Infrastructures (IRVE) in conjunction with local authorities or private players as well as the financing of the thermal decarbonization of buildings.

3.8.5 Climate risk management

In a world increasingly concerned with combating climate change and environmental degradation, Crédit Mutuel Alliance Fédérale is committed to taking into account climate imperatives in the conduct of all its activities in order to meet the trajectory of the Paris Climate Change Agreement aimed at limiting the increase in temperatures to between 1.5 and 2°C by 2100.

The governance of climate risk management is based on three pillars which are currently being rolled out:

Strategy	▪ Governance at the highest level ▪ Inclusion in financial risk management ▪ Sectoral policies key to the strategy
Organization	▪ Major risk management function in coordination with other departments (legal, sales, etc.) ▪ Dedicated tools and workforce ▪ Integration into risk monitoring in the same way as other critical risks
Tools	▪ Climate strategy performance indicators (emissions, outstandings, etc.) ▪ Integration limits/alert thresholds in the RAF [1] ▪ Comprehensive, reliable and granular carbon footprint data ▪ Projections via stress tests on the ICAAP [2] ▪ Appropriate controls and audits

(1) Risk Appetite Framework.
(2) Internal Capital Adequacy Assessment Process.

The management of risks connected to climate change (physical risk and transition risk) is integrated into Crédit Mutuel Alliance Fédérale's financial risk management system. All projects developed are presented to the SMR Governance Committee, the Risk Committee (executive body), and then to the Risk Monitoring Committee (deliberative body) of Crédit Mutuel Alliance Fédérale and are part of the strategic risk monitoring, in direct contact with the Chairman and Executive Management.

(1) GigaWatt peak.

The ambitious objectives of the demanding Social and Mutualist Responsibility (SMR) policy contribute to improving long-term collective performance and are based on:

1. financing projects with a significant impact on the climate;
2. assisting companies in transforming their business models;
3. adding more environmental requirements to the rules for providing financing;
4. aligning sectoral policies to combat the use of carbon and conventional and unconventional hydrocarbons by means of the climate strategy;
5. including direct and indirect impacts of climate risk of the group's activities in Crédit Mutuel Alliance Fédérale's risk mapping [1].

Qualitative integration of climate risk in the risk appetite framework

The risk appetite framework (RAF) is presented in Chapter 5 of this universal registration document. In the area of environmental and climate-related risks, Crédit Mutuel Alliance Fédérale ensures that these risks are fully integrated into the development of its activities, with a long-term vision. This translates into:

- the integration of the monitoring of environmental and climate risks, as well as their transmission mechanisms to other risks – particularly credit -, into the risk management system;
- the implementation of dedicated tools to identify, measure, manage and monitor all of these risks, both physical and transition;
- the deployment of measures to mitigate the impact of environmental risks and measures to adapt to climate change.

Environmental and climate-related risks are specifically monitored as part of Crédit Mutuel Alliance Fédérale's risk appetite.

In this context, four additional climate and environmental risk indicators have been included in Crédit Mutuel Alliance Fédérale's appetite framework for 2024.

It consists of:

- the change in the share of F and G DPEs in total residential real estate exposure.
- change in the proportion of exposures with high exposure to acute risks: risks are classified as acute when they arise from extreme risks (flooding, drought and storm/hail/snow).
- change in the proportion of exposures that are highly exposed to chronic risks: risks are described as chronic when they result from gradual changes (rising sea levels, rising temperatures and variations in precipitation).
- change in % of emissions financed in three sectors (agriculture, construction and manufacturing industry).

These indicators complement the two existing indicators in Crédit Mutuel Alliance Fédérale's risk appetite framework. These are indicators for monitoring exposure to the "coal" and "hydrocarbons" sectors, which are eligible under the sectoral policies in force within the group. The aim is to monitor the sectoral exposures of Crédit Mutuel Alliance Fédérale customers operating in these sectors. Alert thresholds and risk appetite limits are set according to Crédit Mutuel Alliance Fédérale's risk appetite, with corrective actions if these levels are exceeded.

As a reminder, Crédit Mutuel Alliance Fédérale's sectoral policies make it possible to define a scope of intervention and to set criteria for conducting business in areas where the social and environmental impacts (including climate risks) are the most significant.

Climate risks – country limit

In the context of the rise in risks related to climate change that could impact countries and their economies, research on the assessment of climate risks has made it possible to include an ESG component in the definition of these country limits. These limits consist of capping the exposure levels that the group authorizes to take on the counterparties with which it deals in each country. Thus, the calculation of the country limit takes the Notre Dame Global Adaptation Index – or ND-GAIN [2] – limit into account, which reflects:

- the vulnerability of the countries to climate change, based on 36 quantitative and qualitative criteria (principal themes: health, food, ecosystems, habitat, access to water and infrastructure);
- the readiness to adapt to these changes, based on nine economic, social and governance criteria.

The limit is affected by a penalty which differs depending on the level of the index. In fiscal year 2023, the calculation of country limits taking into account the ND-GAIN index was updated even though the country ratings of financial agencies are increasingly integrating the environmental aspect.

Stress tests

Crédit Mutuel Alliance Fédérale is participating in the exercise organized by the European Banking Authority (EBA) to assess the resilience of the financial sector in the face of the European "fit for 55" package, which aims to significantly reduce the European Union's CO2 emissions by 2030. The exercise also aims for the EBA to better understand the capacity of the financial system to support the transition to a low-CO2 economy under stressed conditions.

(1) The system is described in Chapter 3.3 "Non-financial risks and opportunities for Crédit Mutuel Alliance Fédérale".
(2) https://gain.nd.edu/.

Given its cross-sectoral and systemic nature, this exercise is being conducted with the cooperation and coordination of the other European Supervisory Authorities (ESA), the European Central Bank (ECB) and the European Systemic Risk Board (ESRB).

In addition, given the importance of climate change issues for the financial sector, the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority) launched a climate change risk assessment exercise for insurers in 2023. The scenarios considered analyze the occurrence of extreme events in terms of physical risk (heatwaves and floods) as well as the risk of transition with adjustments in the financial markets, in the short and long term. They provide food for thought about strategic developments. GACM's teams were mobilized across the board for this exercise.

Taxonomy

Pursuant to European Commission Regulation (EU) 2020/852, Crédit Mutuel Alliance Fédérale publishes its balance sheet exposures to sectors eligible for the Taxonomy regulation.

The European Union taxonomy is a set of sustainability criteria for companies, investors and governments. It identifies economic activities that can be considered sustainable or eco-responsible. It thus enables financial players and companies to use a common language and facilitate sustainable investment and financing with the aim of promoting the ecological transition of the economy.

Methodological elements

Key concepts: portfolio eligibility and alignment

The European taxonomy is built on the key concepts of eligibility and alignment.

An economic activity is eligible for the taxonomy if it is included in the list published in the delegated acts of the Taxonomy regulation; this list includes 147 activities present in 15 macro-sectors. These are activities that are likely to contribute to one of the six environmental objectives of the taxonomy; these activities account for more than 90% [1] of the European Union's greenhouse gas (GHG) emissions.

Among these eligible activities, the activity is considered "aligned" with the taxonomy or environmentally sustainable, only if it meets all of the following criteria:

- makes a substantial contribution to one of the six environmental objectives (see infographic below);
- complies with the technical examination criteria set out in the delegated acts;
- does not cause significant harm to other environmental objectives;
- respects certain minimum social guarantees.

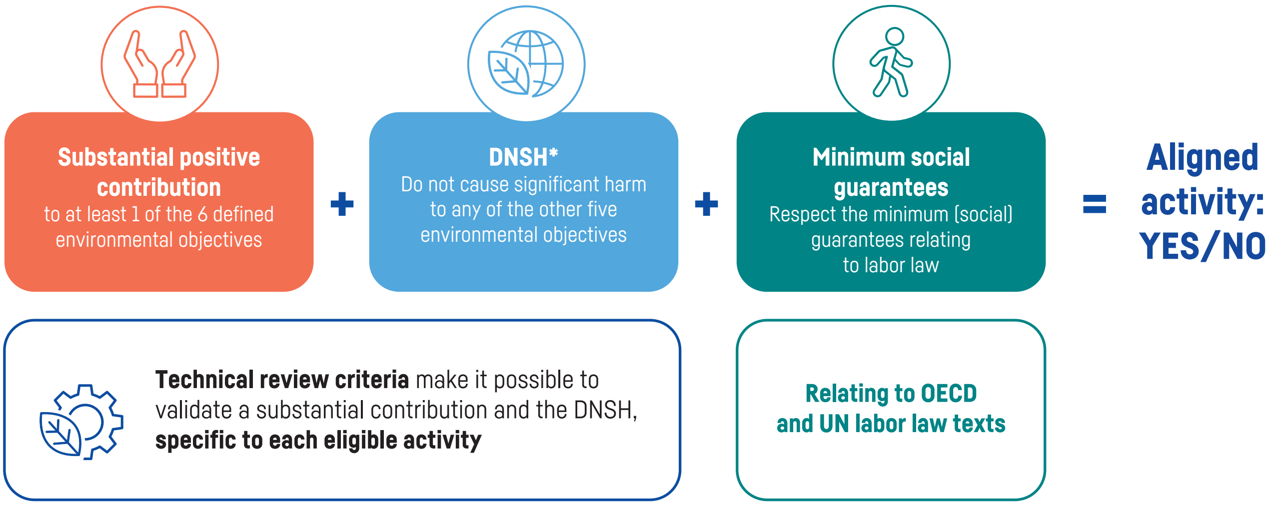
THE SIX ENVIRONMENTAL OBJECTIVES OF THE GREEN TAXONOMY

Climate change mitigation	**Climate change adaptation**	**Sustainable use and protection of aquatic and marine resources**	**Transition to a circular economy**	**Pollution prevention and reduction**	**Protection and restoration of biodiversity and ecosystems**
Stabilization of greenhouse gas concentrations in line with the Paris Agreement target to limit the rise in temperatures	Reduction of the risk of negative impacts of the climate on economic activities, popula-tions, nature or property	Maintaining the good condition of water resources and preventing the deterioration of marine and river waters or aquatic ecosystems	Waste prevention, reduction, recovery and recycling	Prevention and reduction of emissions of pollutants other than CO_2 in the air, water and soil. Improvement of air, water or soil quality levels	Conservation of natural habitats, preservation of their deterioration, use and sustainable management of land and forests. Implementation of sustainable agricultural practices

As of December 31, 2023, according to Delegated Regulation (EU) 2021/2178 and Delegated Regulation (EU) 2023/2486, the eligibility measure must cover all the environmental objectives of the taxonomy, while the alignment measure is restricted to the first two objectives relating to climate change mitigation and adaptation.

(1) *Green taxonomy: instructions for use! - European Commission (europa.eu).*

CRITERIA FOR ALIGNING ACTIVITIES WITH THE GREEN TAXONOMY

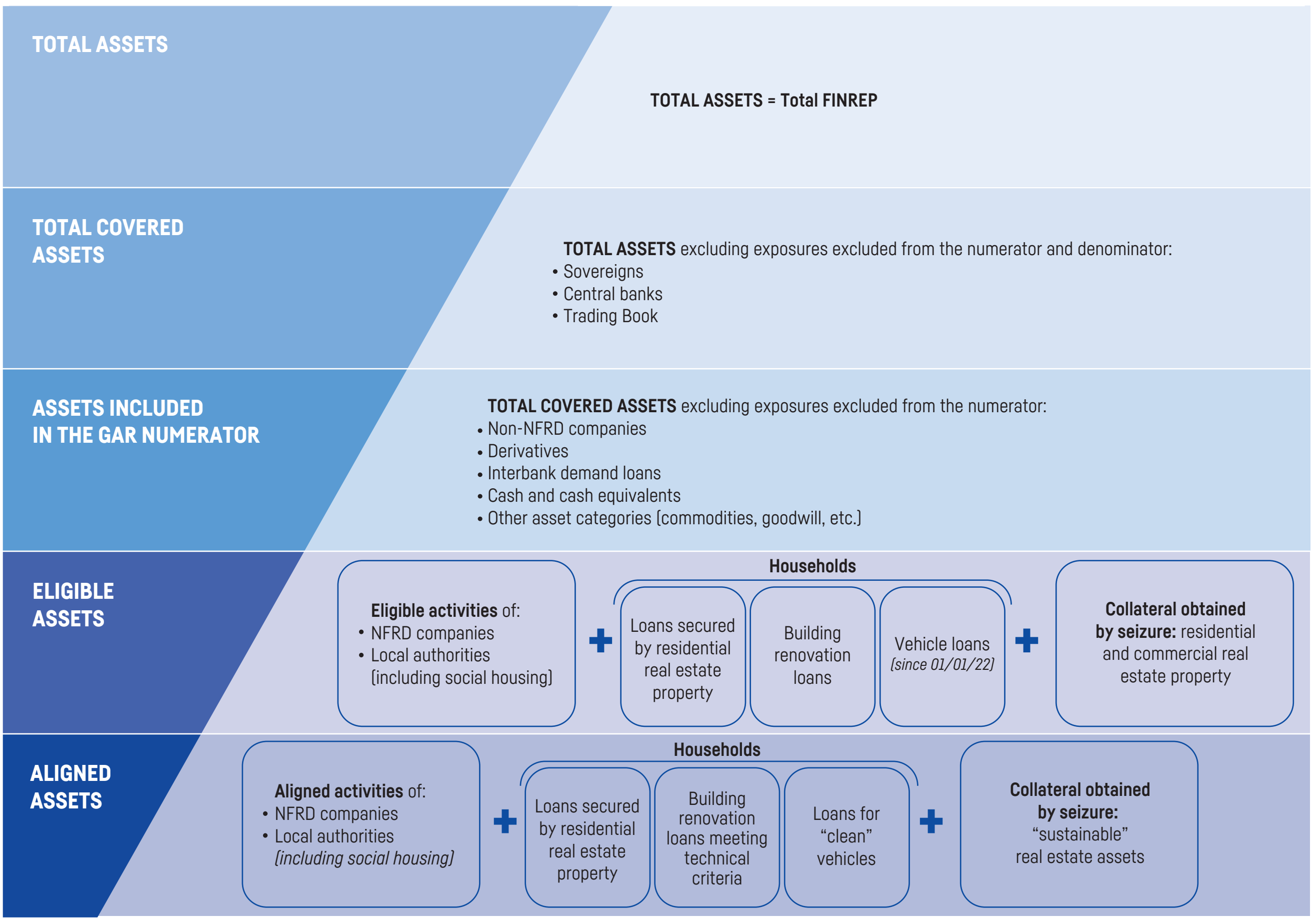


*DNSH: Do no significant harm. This principle requires that no harm be done to the six environmental objectives that determine the sustainability of an activity within the meaning of the Taxonomy regulation.

Methodology for calculating eligibility and alignment ratios

The calculation of eligibility and alignment ratios requires an assessment of the different types of assets considered within the meaning of the taxonomy, *i.e.* assets covered in the denominator, eligible assets or aligned assets in the numerator.

TYPES OF ASSETS CONSIDERED FOR THE PURPOSES OF THE TAXONOMY



To assess the eligibility and alignment of its assets, Crédit Mutuel Alliance Fédérale has defined a methodology that takes into account the nature of the counterparty, the typology of the products financed (type of product, purpose of financing, date of financing, etc.) and the type of information available.

For example, the ratios published by counterparties are used for all financial companies subject to the NFRD, as well as for certain non-financial companies where the purpose of the financing is not identified internally.

ELIGIBILITY AND ALIGNMENT OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE'S PORTFOLIO

TAXONOMY =

01 Verification of eligibility

NFRD financial corporations: application of ratios published by counterparties

Non-financial corporations subject to NFRD:
- Purpose of financing unknown: Application of ratios published by counterparties
- Purpose of funding known: eligible activity if referenced by the taxonomy

Households – 100% of:
- Residential real estate loans
- Building renovation loans
- Loans for vehicles granted since 01/01/22

Local authorities:
- Social housing: 100%

According to the eligibility of the financed object

Collateral: 100% eligibility

+

02 Calculation of alignment

NFRD financial corporations: application of ratios published by counterparties

Non-financial corporations subject to NFRD:
- Purpose of financing unknown: application of ratios published by counterparties
- Purpose of financing known: activity aligned if compliance with technical criteria + DNSH + MSS

Households – loans meeting the technical criteria defined by the taxonomy for:
- Residential real estate loans
- Building renovation loans
- Loans for vehicles granted since 01/01/22

Local authorities: loans meeting the technical criteria defined by the taxonomy

Collateral: loans meeting the technical criteria defined by the taxonomy

Working group coordinated by Confédération Nationale de Crédit Mutuel

Given the strategic and regulatory stakes involved, in 2023 Confédération Nationale du Crédit Mutuel coordinated a series of in-house workshops to ensure that its customer portfolio was aligned with the first two objectives of the taxonomy, namely: climate change mitigation and adaptation.

As a reminder, during the two-year transitional period, only Crédit Mutuel Alliance Fédérale's portfolio eligibility ratios for the European Green Taxonomy were required and published.

These dedicated multi-disciplinary workshops brought together risk departments, finance departments and the teams in charge of CSR/SRM issues in the confederation and regional groups, with the following objectives:

- appropriation of texts and calculation methodologies, in connection with FINREP reports;
- definition of common management rules between regional groups, in particular with regard to the supporting documents to be taken into consideration when calculating portfolio alignment;
- identification of the eligibility and alignment ratios published by the counterparties concerned by the NFRD;
- calculation of ratios (numerator and denominator) on the basis of 2023 data.

Details of the methodology are set out in the methodological note to the NFPS (section 3.12.3).

Portfolio alignment

Analysis of alignment results for fiscal year 2023

The alignment of Crédit Mutuel Alliance Fédérale's portfolio is closely linked to its business model. As only households, local authorities and companies subject to the publication of a non-financial statement are included in the scope of assets covered by the taxonomy, the alignment ratio remains at this stage mainly impacted by the alignment of households, representing in gross value 40% of total assets. The main difficulty concerns access to data enabling Crédit Mutuel Alliance Fédérale to calculate the alignment of its counterparties *via* analysis of the technical criteria for substantial contributions, the DNSH criteria and minimum social guarantees. With regard to households, the technical criteria are not fully available at this stage, so it has not been possible to include certain items in the Crédit Mutuel Alliance Fédérale alignment. The various ratios presented in this statement do not reflect, at this stage, the reality of Crédit Mutuel Alliance Fédérale's alignment.

Corporates

At December 31, 2023, the Green Asset Ratio (GAR) for financial companies stood at 2.57% [1], *i.e.* €563 million. It concerns companies subject to non-financial reporting obligations only, representing 2.69% of Crédit Mutuel Alliance Fédérale's total assets.

In the case of non-financial companies, the GAR was 4.38%[5], representing an aligned outstanding amount of €723 million. Only non-financial companies subject to non-financial reporting obligations have been included in the alignment calculation, on the basis of the ratios published in their universal registration documents in 2023. They represent 2.03% of total assets.

As regards funding dedicated to a project that may meet one of the taxonomy's objectives, the group does not currently have sufficient documentation to verify the technical criteria set out in the regulations concerning substantial contributions and compliance with the DNSH. Consequently, they do not contribute to the group's alignment ratios.

This alignment amount will evolve over the coming years as a result of better identification of the companies subject to these obligations, and also following the transposition of Directive (EU) 2022/2464, known as the CSRD Directive, which extends the scope of the companies concerned.

Households

At December 31, 2023, loans and advances to households aligned with the climate change mitigation target totaled €30.4 billion, representing a Green Asset Ratio of 12.07%[5]. Only loans secured by residential real estate property meeting the RT 2012 and RE 2020 thermal regulations, considered to be in the top 15% nationally in terms of energy consumption [2], as well as properties demonstrating a category A DPE, were considered as potentially aligned with the taxonomy's technical criteria. The analysis was refined by excluding assets for which Crédit Mutuel Alliance Fédérale considered that they were exposed to a physical risk, according to an internal analysis based on public data. Renovation loans and vehicle loans were not considered as aligned, due to the lack of sufficiently available data to justify compliance with the additional DNSH criteria.

Local authorities

As Crédit Mutuel Alliance Fédérale's business model is not primarily focused on financing social housing, it was not possible to carry out an alignment analysis at December 31, 2023.

Gas and nuclear

Crédit Mutuel Alliance Fédérale declares investments in natural gas and nuclear power generation activities identified as transitional activities contributing to the EU Taxonomy's climate change mitigation and adaptation objectives.

The appendices (Section 3.14) set out all the expected elements and present the five reporting models for aligned, eligible and non-eligible economic activities in the European taxonomy.

Off-balance sheet exposures

As far as off-balance sheet items are concerned, the alignment calculation was only carried out on exposures to companies subject to non-financial reporting obligations.

Presentation of regulatory ratios

Alignment with climate change mitigation and adaptation objectives

		Total environmentally sustainable assets	KPI 1	KPI 2	% cover (in relation to total assets) 3	% of assets excluded from GAR numerator	% of assets excluded from GAR denominator
Main KPI	Outstanding green asset ratio (GAR)	31,368	5.07%	5.09%	77%	40%	23%

KPI: Key performance indicator.

(1) Based on the counterparty's revenue KPI.

(2) Based on the counterparty's CapEx KPI, except for general lending activities, for which the revenue KPI is used.

(3) % of assets covered by the KPI, compared to total banking assets.

Information and regulatory models relating to taxonomy, as well as information specific to fossil gas and nuclear activities, are presented in the appendix to this document (Section 3.14).

Eligibility for the other environmental objectives of the taxonomy

In accordance with European Commission regulation (EU) 2023/2486, Crédit Mutuel Alliance Fédérale presents on a mandatory basis its portfolio's eligibility ratios for the six environmental objectives of the taxonomy (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems). Eligibility at December 31, 2023 could not be calculated, as Crédit Mutuel Alliance Fédérale's counterparties have not yet published this information in their NFPS. Consequently, Crédit Mutuel Alliance Fédérale will publish these eligibility ratios from 2025, the year in which the sustainability report drawn up at December 31, 2024 is published.

Share in hedged assets of exposures to economic activities eligible for taxonomy (targets 3 to 6)	0%
Share in hedged assets of exposures to economic activities not eligible for taxonomy (targets 3 to 6)	100%

(1) For more information on the methodologies used to calculate ratios, see Section 3.12.

(2) According to the elements of interpretation of the delegated regulation (EU) 2021/2139 of June 4, 2021 relating to the building sector provided by the Ministry of Ecological Transition.

Pillar 3 ESG

Additional detailed data on Crédit Mutuel Alliance Fédérale's environmental, social and governance risks are available in Pillar 3 ESG chapter 5.

3.8.6 ESG measures for insurance companies and asset managers

Report - Article 29 of the Energy-Climate law

Article 29 of the Energy-Climate law and its implementing decree 2021-663 published in 2021 reinforce the ESG transparency requirements of investors whose assets and/or total balance sheet exceed €500 million.

The publication requirements cover three areas:

- climate: with the publication of the strategy to align with the temperature targets of the Paris Agreement (with quantitative targets for greenhouse gas emissions every five years until 2050) as well as the alignment of outstanding amounts or the balance sheet with the European Taxonomy sustainable activities and fossil fuel activities;
- biodiversity: through the publication of a strategy for alignment with international biodiversity conservation targets, with quantified targets;
- the integration of ESG factors in the risk management, governance and transition support systems (in particular shareholder engagement) of market players.

Art. 29 reports are available on each entity's website:

- Report - Article 29 of the Energy-Climate Law by Crédit Mutuel Asset Management;
- Report - Article 29 of the Energy-Climate Law by La Française Group;
- ESG report including Article 29 of GACM.

These reports are sent to the relevant authorities and to ADEME's Climate Transparency Platform.

They are published in the 1st half of the year following the end of the fiscal year.

SFDR regulations: fund classification and PAI report [1]

The SFDR regulation reinforces investor communication on sustainability risk, with the inclusion of environmental, social and governance criteria in the investment strategy.

The funds must be classified according to three categories:

- so-called Article 6 funds: general communication rule common to all funds in the pre-contractual documentation (prospectus), regarding whether or not sustainability risk is taken into account;
- so-called Article 8 funds: the funds covered by this article systematically incorporate environmental and social characteristics. They promote these characteristics insofar as the companies in which the investments are made apply best governance practices;
- so-called Article 9 funds: the funds covered by this article contribute to the achievement of a defined and quantifiable environmental and/or social objective, *e.g.* in terms of carbon emission reduction. They are also products with a social objective, such as impact funds.

To comply with the SFDR regulation, asset managers publish the following documents, available on their website:

- the classification of all funds according to the SFDR regulation;
- the policy on integrating sustainability risks;
- the statement on the consideration of the main negative impacts of investment decisions on sustainability factors;
- the annual report on the principal adverse impacts, or PAI report, published for the first time in 2023.

Crédit Mutuel Asset Management

Crédit Mutuel Asset Management's ambition is to classify 100% of open-ended funds under active management in Article 8 or in Article 9. At December 31, 2023, 88% of the assets managed by Crédit Mutuel Asset Management [2] were classified as Article 8 and nearly 12% as Article 6. The latter are largely made up of dedicated funds, employee savings funds, formula funds and index funds.

CRÉDIT MUTUEL ASSET MANAGEMENT: SFDR CLASSIFICATION AT 12/31/2023

SFDR classification *(outstandings in €m and as a %)*	Article 9		Article 8		Article 6		Total
Crédit Mutuel Asset Management	**212**	0.3%	**66,686**	87.9%	**8,947**	11.8%	**75,845**

The list of funds with their SFDR category is available on the company's website:

- list of Crédit Mutuel Asset Management SFDR funds.

La Française Group

Each of the group's business divisions classifies more than half of its assets as Article 8 or 9 SFDR, respectively 68% for the real estate division and 61% for financial assets, *i.e.* funds that respect sustainability criteria or set environmental or social performance targets.

(1) Principal adverse impacts.

(2) These amounts include all types of funds managed by Crédit Mutuel Asset Management, i.e. funds open to the public, employee savings funds, dedicated funds managed by Crédit Mutuel Gestion or Dubly Transatlantique Gestion, and institutional mandates.

LA FRANÇAISE GROUP: SFDR CLASSIFICATION AS OF 12/31/2023

SFDR classification *(outstandings in €m and as a %)*	**Article 9**		**Article 8**		**Article 6**		**Total**
Real estate assets (LREM)	**16,137**	63%	**1,345**	5%	**8,326**	32%	**25,808**
Financial assets (LFAF, N2AM, LFSAM)	**4,487**	32%	**3,959**	28%	**5,473**	39%	**13,918**
TOTAL OUTSTANDINGS SDG - LFG	**20,624**	**52%**	**5,304**	**13%**	**13,799**	**35%**	**39,726**

The documents related to GLF's sustainable investment (including SFDR) are available on the company's website:

- Our publications - Sustainable investment - La Française Group;
- List of La Française Group SFDR funds.

Sustainable investment policies of insurance activities and asset management companies

Groupe des Assurances du Crédit Mutuel

Committed for several years to sustainable development, Groupe des Assurances du Crédit Mutuel (GACM) confirms its status as a responsible company through its investment policy.

As a selective investor, GACM has a regularly updated ESG policy, enabling it to take into account sustainability risks on its assets as well as the environmental or social impacts of its investments. It is based in particular on a policy of excluding issuers with a significant ESG risk. In practice, each time a share or bond is purchased, GACM's asset managers have access to an ESG analysis of the issuer using data provided by ISS. This analysis constitutes an aid to decision-making in the investment process, in addition to the financial criteria that are usually analyzed. Accordingly, the GACM ESG policy encourages investment in accordance with the values of the Crédit Mutuel Alliance Fédérale group in terms of respect for human rights, the environment and the rules of good governance.

Moreover, in order to limit its exposure to and support for certain activities with a high environmental or social impact, GACM applies ambitious sectoral policies, in line with Crédit Mutuel Alliance Fédérale. This is particularly true of the fossil fuel (coal, oil and gas), tobacco and non-conventional weapons sectors.

As an active shareholder, GACM attaches particular importance to shareholder dialog and the exercise of its shareholder rights in the companies in which it invests. In this way, GACM intends to defend the financial interests of policyholders on behalf of which it invests while encouraging the companies it finances in their approach to environmental and social responsibility and good governance. These changes in corporate practices should also enable GACM to meet its targets for phasing out coal and reducing the carbon footprint of its investments, in order to align itself on a trajectory compatible with the Paris Agreement.

GACM is convinced that compliance with best ESG practices leads to a better long-term valuation of companies and the development of a more sustainable economy around the world.

GACM's ESG approach is set out in more detail in a specific report available on the company's website:

- Credit Mutuel group insurance publications.

Crédit Mutuel Asset Management.

ESG integration system

Crédit Mutuel Asset Management, Crédit Mutuel Alliance Fédérale's main asset management subsidiary, is fully committed to the group's social, societal and environmental approach. Responsible investment is a major application of this approach, through ESG integration for the majority of funds and an SRI approach for a targeted range of funds.

This system for integrating sustainability issues is divided into six parts:

Responsible investment policy

Crédit Mutuel Asset Management ensures that the companies and countries in which it invests demonstrate best practices, particularly in terms of climate change, governance and human capital development.

Its responsible investment policy is based on a proprietary ESG analysis methodology, sector and climate policies, controversy monitoring and shareholder engagement. The full version of Crédit Mutuel Asset Management's "Responsible Investment Policy" is available on its website:

- CMAM's responsible investment policy.

Proprietary ESG analysis methodology and model

Crédit Mutuel Asset Management has developed a proprietary ESG analysis model for companies and governments, based on ESG data providers. The companies model is based on a dedicated methodology comprising 35 indicators in 14 categories, covering all quality, governance, societal, social and environmental criteria, including climate.

This non-financial quantitative approach compares companies within their own business segment to determine which companies are making the most progress in assessing risks and opportunities with regard to sustainable development issues as defined by the 17 United Nations Sustainable Development Goals (SDG).

In addition, a qualitative analysis is conducted internally by a team of experts on ESG topics. Ultimately, the companies in Crédit Mutuel Asset Management's universe are classified into five groups reflecting both their historical and prospective non-financial performance.

The results of these analyses are made available to all management teams.

Climate policy

Crédit Mutuel Asset Management is committed to redirecting financial flows towards an economy compatible with a scenario limiting temperature rise to +2 degrees Celsius, and has set itself the target of reducing the carbon footprint of its investments (including scopes 1 and 2) by 15% over the 2018-2023 period. In line with its ambitions, Crédit Mutuel Asset Management has integrated climate transition issues into its proprietary tool through analysis of issuers' CO2 strategy, innovation and measurement of the three-year trajectory of issuers' performance (source of carbon data: ISS ESG). Crédit Mutuel Asset Management produces, at a minimum on an annual basis, the information needed to assess the positioning of its portfolios with regard to the two-degree trajectory, in line with the group's ambitions in terms of carbon footprint (2018-2023 plan). These elements are included in various reports drawn up for each fund.

Sectoral policies

Crédit Mutuel Asset Management is committed to sectors with high environmental and social risks through the group's sectoral policies, particularly coal, non-conventional hydrocarbons and defense/security.

The coal sector policy aims to exclude from investment portfolios companies developing new coal capacity, as listed in the Global Coal Exit List (GCEL) of the NGO Urgewald. In addition, companies that exceed quantitative thresholds based on coal production or production capacity, share of coal in revenue/energy mix, are also excluded from the investment universe, unless the company has published a coal phase-out plan to 2030, deemed credible by the team of expert non-financial analysts.

The hydrocarbons sectoral policy, applicable since January 1, 2023, provides for the freezing of the positions of companies whose share of unconventional hydrocarbon production in total hydrocarbon production is greater than 25%, as listed in the Global Oil & Gas Exit List (GOGEL) published by the NGO Urgewald.

The Defense & Security policy aims to exclude from the investment universe issuers involved in the development, production and distribution of anti-personnel mines (as defined in the Ottawa Treaty which came into force in 1999), and cluster munitions (as defined in the Oslo Convention adopted in 2008), as well as companies involved in chemical, biological and nuclear weapons on behalf of countries not authorized to hold nuclear weapons according to the Nuclear Non-Proliferation Treaty. In addition, a strong vigilance is ensured regarding the severe controversies concerning companies involved in military combat arms.

Controversy monitoring

Furthermore, major controversies are monitored as part of the system: this can be used as an exclusion tool, helping to eliminate the minimum 20% of the initial investment universe in line with the regulatory requirements of the French SRI label and the AMF March 2020 recommandation (for class 1 funds with a significant commitment).

Commitment: shareholder dialog and voting policy

Voting and dialog with issuers are essential and historic components of Crédit Mutuel Asset Management's responsible investment approach. The voting policy, which has been in place for over 15 years, is an extension of the investment strategy, the aim of which is to achieve steady performance over the long term, in line with the funds' orientations. The principle is to cover all shares held for all companies, regardless of size, nationality or share of voting rights held. It is based on respect for the rights of minority shareholders, fairness between shareholders, transparency and quality of information provided to shareholders, balance of power between management bodies, sustainability and integration of the long-term strategy of companies and support for best practices in corporate governance.

In 2023, Crédit Mutuel Asset Management voted on some sixty climate-related resolutions, including nearly 50 tabled by minority shareholders and 13 "Say on Climate" resolutions [1]". Crédit Mutuel Asset Management supported 11 of these 13 "Say on Climate" resolutions.

(1) Resolution placed on the agenda of a Shareholders' meeting, at the initiative of the Board of Directors or one or more shareholders, concerning the company's environmental strategy or policy, and in particular its climate impact (AMF, Corporate Governance Report 2021).

La Française Group

The sustainable investor approach is central to La Française Group's development. Starting with an outsourced approach, La Française has progressively integrated resources and skills, extending the scope of sustainable investment to all asset classes under management.

To develop the value generated by our ESG expertise, La Française Asset Management (LFAM) mobilizes all the group's business lines, in particular the asset management teams, with the active involvement of the Sustainable Investment Research team and the Data management & modeling division.

The methods used by our analysts are based on:

- scoring models;
- an estimate of carbon footprints;
- trajectory analyses.

For the real estate pillar, La Française Real Estate Managers (La Française REM) integrates ESG criteria into four pillars: environmental, social, governance and climate.

As part of its work with the various stakeholders, the group has implemented a materiality matrix [1] based on the comply or explain principle in order to report on its understanding of the various CSR or sustainability issues within the group. This approach also makes it possible to identify the various issues to which it is committed.

Finally, the sustainability risk policies [2] on the securities and real estate scope complete the information provided to customers on how sustainability risk is taken into account in managing the funds under management.

Climate risk management

In line with the ESG approach initiated fifteen years ago, La Française Group is fully committed to the fight against climate change.

Since July 2021, La Française Asset Management (LFAM) has been a signatory of the Net Zero Asset Management Initiative (NZAMi). In this respect, in 2022 LFAM has defined a CO2 emissions reduction target in line with the Paris Agreement and validated by NZAMi: to achieve a temperature of 1.5°C by 2040 for scopes 1 & 2, and 1.75°C (Well-Below 2°C) by 2040 for scope 1, 2 & 3.

LFAM: NET ZERO ASSET MANAGEMENT TARGETS

Net Zero LFAM	2023 targets (for 2025, 2030)	2022 indicators	2022 targets (for 2025 and 2030)	2021 indicators
Portfolio temperature - Scope 1 & 2 - 2025	1.95 °	2.04 °	2.01 °	2.11 °
Portfolio temperature - Scope 1, 2 & 3 - 2025	2.17 °	2.25 °	2.42 °	2.56 °
Portfolio temperature - Scope 1 & 2 - 2030	1.80 °		1.84 °	
Portfolio temperature - Scope 1, 2 & 3 - 2030	2.03 °		2.20 °	

LFAM also carried out climate risk and stress-test calculations on the management company's total assets, the results of which are available in article 29 of the group's climate energy law (LEC).

In 2022, LFREM measured the physical and functional risks to its real estate portfolio for five climate hazards that could impact buildings and their occupants: heat waves, droughts, clay shrinkage and swelling, floods and marine submersions. The results are shown in the table below.

LREM: EXPOSURE TO CLIMATE RISKS

LFREM - Climate risks	% of assets with high vulnerability to climate hazards
Heat wave	6.6%
Drought & Soil Shrinkage & Swelling	0.6%
Flooding	5.9%
Marine submersion	1.5%

Exclusion policy and controversy monitoring

Since 2019, La Française Group has been committed to phasing out coal by 2030 in OECD countries and 2040 in emerging countries.

(1) CSR policy and materiality matrix: https://www.la-francaise.com/fileadmin/user_upload/XX3570-Politique_RSE-nov_2021_1_.pdf.

(2) Sustainability risk policy for securities: https://www.la-francaise.com/fileadmin/docs/Actualites_reglementaires/20210309_GLF_Risque_de_durabilite_Val_Mob_art_34_FINAL.pdf Real estate sustainability risk policy: https://www.la-francaise.com/fileadmin/docs/Actualites_reglementaires/20200309_GLF_Risque_de_durabilite_immobilier_art_34_FINAL.pdf.

Since July 2022, its exclusion policy has reinforced the gradual phase-out of coal and introduced thresholds for unconventional fossil fuels:

- companies involved in coal-related development projects (*e.g.* mines or power plants) will no longer be financed;
- companies with unconventional fossil fuel development projects will no longer be financed;
- companies with more than 33% or 20%, depending on the product range, of their production from non-conventional sources will no longer be financed, starting today for the Carbon Impact range and from 2025 for the others.

Please note: this exclusion policy does not apply directly to funds of funds, managed services or certain mandates or dedicated funds (around 20% of actively managed assets) for which La Française Group acts as advisor and is not the final decision-maker.

The approach is broken down by range, with a higher level of commitment for the Carbon Impact range. It complements restrictive policies on controversial weapons and tobacco, and is linked to controversy management. All these policies are detailed in La Française Group's exclusion policy available here.

To monitor controversies, La Française Group has adopted a two-stage process for reviewing, and potentially excluding, issuers in violation of international standards (UN Global Compact). This process combines information from our data provider ISS ESG and our internal research.

Voting and engagement policy

Throughout the holding period of its investments, La Française Group exercises its responsibility as an investor in several ways:

- by voting, when the investment is made in shares;
- through commitment, whatever the type of holding: shares, debt or real assets (real estate).

For its equity investments, La Française Group updates its voting policy each year for all companies in its portfolio, with the aim of voting on 100% of securities. For 2023, the attendance rate at Shareholders' Meetings was 95.3%, with 31.5% voting against resolutions supported by management.

For the **Financial Assets** section, La Française Group strengthened its engagement strategy in 2023: it established a dialog with nearly 40 companies and is committed to more than 125 companies (up from 46 in 2022) directly or in collaboration with other organizations and/or investor groups. Four themes have been identified as priorities: climate change, natural capital, share capital and governance & indicators.

For the **Real Estate Assets** division, La Française REM strives to unite all stakeholders around its objectives by establishing regular dialog and encouraging the adoption of virtuous practices. In 2022, La Française REM published a Responsible Purchasing Charter.

3.8.7 Crédit Mutuel Alliance Fédérale sectoral policies

Crédit Mutuel Alliance Fédérale, in the conduct of its diversified business activities, may be involved in transactions, including on sensitive segments with social and environmental risks. As a benefit corporation, Crédit Mutuel Alliance Fédérale wants to work for a fairer and more sustainable society. As such, the group has undertaken to define sectoral policies the aim of which is to define a scope of intervention and to set criteria and principles for conducting business in areas where the social and environmental impacts are the most significant.

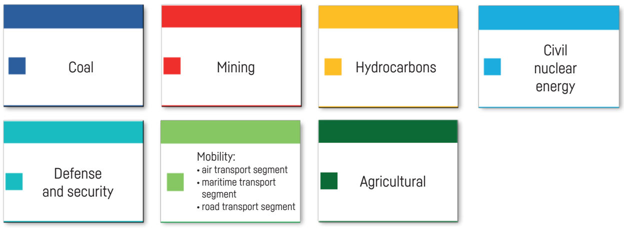
The measures resulting from these policies apply to all entities subject to compliance with the legal and regulatory provisions specific to each entity. They may be revised whenever necessary.

Crédit Mutuel Alliance Fédérale chooses responsible sector policies in line with its mutualist values. Its ambition is to support its customers in the transformation of their business model and thus contribute to the fight against global warming, the reduction of biodiversity and the deterioration of the environment. Sector policies and their changes are systematically submitted to the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM and CIC for approval.

The sectoral policies reinforce Crédit Mutuel Alliance Fédérale's commitments to join as soon as possible the trajectory set by the Paris Climate Agreement to limit temperature rises to between 1.5 and 2°C by 2100 and achieve carbon neutrality by 2050. They also help customers transform their business models.

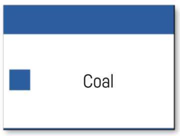
In addition, since the first quarter of 2021, exposures related to sectors eligible for a sector policy are subject to dedicated monitoring. This specific reporting includes the risk monitoring system presented to the Risk Committee (executive body) and the group Risk Monitoring Committee (deliberative body). At December 31, 2023, €40 billion were eligible for sectoral policies compared to €41.7 billion at the end of 2022, of which €26.6 billion in the Corporate portfolio. In this portfolio, the share of exposures related to the Coal & Hydrocarbons sectoral policies amounted to 0.5% and 14.5% respectively.

SECTOR POLICIES ROLLED OUT AT THE LEVEL OF CRÉDIT MUTUEL ALLIANCE FEDERALE



Crédit Mutuel Alliance Fédérale has chosen to ensure the application of the rules linked to its sectoral policies by creating specific analysis grids for the business sectors subject to sectoral policies. These documents are completed by the teams examining credit applications and presented to the Commitment committees.

Focus on sector policies



Coal sectoral policy

For companies on the NGO Urgewald's Global Coal Exit List:

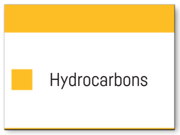
- immediate freezing of banking transactions, financing of projects and investments;
- immediate disposal of investments in insurance, asset management and trading room activities.

As a general rule, Crédit Mutuel Alliance Fédérale will no longer support companies whose:

- annual coal production exceeds ten megatons;
- coal-based installed capacity exceeds five gigawatts;
- share of coal in revenue exceeds 10%;
- share of coal in the energy mix of electricity production exceeds 10%.

These criteria, which can be revised annually, are not cumulative. They are intended to totally eliminate the financing of energy derived from coal by 2030.

Crédit Mutuel Alliance Fédérale conditions the continuity of its financial support to customer companies exposed to the coal sector on the publication of a dated and detailed plan for the closure of all their coal assets by 2030. Such requests may be escalated to Executive Management.



Hydrocarbons sectoral policy

In line with its commitments made in October 2021 to halt all financing of new exploration, production, infrastructure [1] (oil and gas pipelines and storage units) or processing (oil refineries, gas liquefaction terminals) projects in the oil and gas sector, Crédit Mutuel Alliance Fédérale strengthened its arrangements with companies producing unconventional hydrocarbons at the beginning of 2023.

As a result, from January 1, 2023, Crédit Mutuel Alliance Fédérale no longer provides banking and financial services to companies listed in the NGO Urgewald's Global Oil & Gas Exit List (GOGEL) whose share of unconventional hydrocarbon production exceeds the 25% threshold. This threshold has been lowered to 20% since January 1, 2024.

The unconventional hydrocarbons used to calculate this threshold are as follows:

- shale oil or shale gas;
- oil from bituminous sands;
- heavy [2] and extra heavy oil [3];
- deep-water oil or gas [4];
- oil or gas extracted in the Arctic [5];
- coal bed methane.

(1) Excluding the shipping sectoral policy: https://www.bfcm.creditmutuel.fr/partage/fr/CC/BFCM/assets/articles/rsm-politiques-sectorielles/Politique_Mobilite_Secteur_Maritime_EN.pdf.

(2) Density between 22.3° to 10° API (American Petroleum Institute).

(3) Density less than 10° API.

(4) Deep-water oil: deep-water oil refers to exploration, development and production operations of offshore, the depth of which exceed 5,000 feet (1,500m).

(5) Scope of the Arctic Monitoring and Assessment Program (AMAP). Zone covering eight countries bordering the Arctic Ocean: Canada, Denmark (with Greenland), Finland, Iceland, Norway, Russia, Sweden and the United States (Alaska), with associated marine areas, for a total area of approximately 18 million km2.

From July 1, 2024, to reinforce its commitment to decarbonizing the economy, Crédit Mutuel Alliance Fédérale will step up its demands on oil and gas-producing energy companies: the group will cease all intervention [1] with energy companies that continue to develop new oil or gas exploration and production projects. This development will be analyzed through the year-on-year evolution of the company's oil and gas production [2]: from July 1 of year n, any company whose production in year n-1 exceeds the lowest production level since 2022 inclusive will be excluded.

In addition to this commitment, Crédit Mutuel Alliance Fédérale will halt any intervention with oil and gas producing energy companies that do not have a credible and verifiable Net Zero trajectory for 2050, with a significant drop in production by 2030.

As an exception to the above, and in order to support the energy transition, Crédit Mutuel Alliance Fédérale may continue to invest in renewable energy or low-carbon projects for companies affected by these measures. Similarly, it will still be possible to subscribe to and/or participate in green bond issues earmarked for renewable projects.

Lastly, as part of a demanding shareholder commitment, the group's companies may continue to hold shares in these "excluded" companies acquired on the secondary market, using their own funds or funds guaranteed by the group (euro funds). The aim is to encourage them to align themselves with the Paris Climate Agreement.

Mobility:
- air transport segment
- maritime transport segment
- road transport segment

Mobility sectoral policy

The aim of this policy is to strictly limit the financing granted to the most low-carbon assets. It covers air transport (airline financing, aircraft acquisition financing), maritime transport (shipbuilding and dismantling financing) and road transport (financing of light commercial and industrial vehicles).

In terms of air transport

Crédit Mutuel Alliance Fédérale and its subsidiaries will reserve their financing solely for the latest generation models from Airbus, Boeing, ATR, Embraer and Bombardier manufacturers. To ensure renewal within aircraft fleets, and until 2025, only aircraft whose age does not exceed eight years may be financed. Beyond 2025, this age will be reduced to five years. Similarly, Crédit Mutuel Alliance Fédérale limits its financing to companies whose average fleet age does not exceed 15 years, reduced to 12 years from 2025.

In terms of maritime transport

As a signatory of the Poseidon Principles through CIC in 2019, Crédit Mutuel Alliance Fédérale has set itself the objective of dipping below the International Maritime Organization (IMO) curve, based on the initial trajectory presented in 2021, by 2025, as part of its maritime transport policy. Crédit Mutuel Alliance Fédérale excludes the financing of all vessels transporting oil and dedicated to the transport of unconventional gas.

In terms of road transport

Crédit Mutuel Alliance Fédérale focuses its financing on the corporate market in leasing, credit and the financing of rail freight and passenger assets on assets with the lowest carbon emissions. Only light commercial vehicles and industrial vehicles meeting at least the Euro 6 standard are eligible for financing.

Agricultural

Agricultural Policy

The objective of this policy is to support efficient, sustainable and low-carbon agriculture through the implementation of a comprehensive system: subsidies to support the completion of a carbon assessment and to support certification procedures, range of subsidized dedicated loans.

These schemes encourage operators to invest to reduce greenhouse gas emissions, improve the potential for carbon storage in the soil and preserve biodiversity.

In addition, an objective analysis of the action plans carried out by farmers in environmental, social and governance matters, based on the condition-based principles of the Common Agricultural Policy (CAP), strengthens the lending decision-making system of banking transactions for the agricultural market.

This committed approach promotes the agro-ecological transition and allows a constructive dialogue with farmers to better support them in their projects.

Mining

Mining Policy

This policy is applicable to all financial transactions intended for mining companies irrespective of the mining resource and method of extraction employed. This covers the entire sector from ore exploration to shipping.

Crédit Mutuel Alliance Fédérale is committed to no longer intervening in the financing or investments directly affected by or linked to the development, construction or extension of mining or metallurgical facilities if a project involves one of the following characteristics is present: asbestos mining, small-scale mining, critical impact on a protected area or a Ramsar-listed wetland, Unesco World Heritage site.

(1) Intervention refers to any new transaction or renewal of a transaction involving a company on the bank's consolidated balance sheet, or any participation in a market transaction aimed at financing that company.

(2) Production is based on the company's annual publications.

Civil nuclear energy

Civil nuclear energy policy

This policy governs operations and advice provided to companies in the civilian nuclear sector. Crédit Mutuel Alliance Fédérale ensures that all requests fall within the framework of the laws in force and comply with the standards and/or recommendations issued by independent organizations in the nuclear sector.

An internal decision-making process is defined and follows a reference framework which notably takes into account the host country, the type of financing of the projects in question and the international financing rules.

Defense and security

Defense and Security Policy

This sectoral policy relates to transactions with companies in the defense and security sector. It recognizes the existence of conventions, treaties, agreements and regulations specific to the weapons industry.

Crédit Mutuel Alliance Fédérale refuses to participate in operations involving controversial weapons, and adheres to systematic principles of analysis with regard to non-conventional weapons and the countries concerned by the financing in question.

Other sectoral commitment

In a press release, Crédit Mutuel Alliance Fédérale announced its withdrawal from the tobacco industry for its financing and investment activities. This commitment was ratified by the signing of the Tobacco-Free Finance Pledge. Supported by the United Nations Environment Program, this initiative follows on from the 2003 World Health Organization (WHO) framework agreement on tobacco control. Crédit Mutuel Alliance Fédérale's commitment is based on the internal policies already implemented by ACM and Crédit Mutuel Asset Management, and is in line with the principles of the Tobacco-Free Finance Pledge, which aims to limit the impact of tobacco industry activities on human health and the environment.

3.8.8 Inclusion of ESG criteria in the granting of financing

Since 2022, the group has been rolling out an ESG questionnaire for corporate customers. ESG (Environmental, Social and Governance) criteria are used to assess the extent to which sustainable development and long-term non-financial issues are taken into account in the strategy of economic players.

This analysis, based on ESG criteria, is required when GE/GME customers enter into a relationship or apply for financing. The purpose of this analysis is to:

- determine the maturity of the company in environmental, social and governance matters;
- analyze potential controversies related to human rights, labor rights, the environment, the fight against corruption or deforestation, and assess their risk.

Through an exchange with the company, an ESG questionnaire is completed, at least once a year, by the account manager to obtain the customer's non-financial performance. The completion of the ESG questionnaire, as well as the above-mentioned sector analysis grids, is the responsibility of account managers.

A CSR committee has been set up at the level of each regional bank, BECM and corporate banking. A consultative body, this committee is tasked with issuing opinions on projects that are likely to raise social, environmental or governance issues once the analysis has been carried out. Referral to the CSR Committee is compulsory for cases receiving a grade below a certain threshold, or in the event of serious controversy. It also aims to advance the methods of project analysis within the bank.

For large companies, this analysis is complemented by ESG analysis reports, ESG ratings and Norm-Based Research controversy reports from ISS ESG, the non-financial rating agency.

In this way, Crédit Mutuel Alliance Fédérale entities promote ethical business relationships and complement financial analysis of companies with an analysis of their non-financial performance. Crédit Mutuel Alliance Fédérale's commitment to financing the environmental transition is reflected in the way it promotes the non-financial performance of its customers. This opens up a dialog with customers, to better support them in their sustainable growth projects, in line with Crédit Mutuel Alliance Fédérale's environmental and social strategy.

3.8.9 Biodiversity protection

Biodiversity commitments

Crédit Mutuel Alliance Fédérale considers that, based on the scientific warnings of the IPBES [1], commitments must be made to ensure the protection of ecosystems and their biological diversity. Crédit Mutuel Alliance Fédérale has set itself the goal of reducing its contribution to the erosion of biodiversity. Previously taken into account through its measurable objectives against climate change and its numerous sectoral policies, the protection of biodiversity is now a fully-fledged policy of the mutualist group, monitored by the risk department.

(1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

Crédit Mutuel Alliance Fédérale’s biodiversity commitment is organized into five categories:

- assessing biodiversity-related impacts and dependencies;
- reducing the impact of financing and investments on biodiversity;
- mobilizing dedicated financing to promote an environmental transition that links biodiversity and climate change;
- accelerating the transition of customers' farms to a form of agriculture that is more respectful of the environment and biodiversity;
- reducing the impact of biodiversity on the office life scope.

Crédit Mutuel Alliance Fédérale’s commitment was approved by act4nature international. Act4nature international is a recognized initiative that establishes a standardized approach to making voluntary commitments related to biodiversity. Crédit Mutuel Alliance Fédérale's commitment was reviewed by various contributors (companies already involved, scientific partners and associations with expertise in biodiversity) who certified its relevance.

Crédit Mutuel Alliance Fédérale’s biodiversity commitments are available on the act4nature international website: https://www.act4nature.com/en/entreprises-engagees-depuis-2020/.

Contribution of sectoral policies to reducing biodiversity loss

Through its sectoral policies, Crédit Mutuel Alliance Fédérale provides a framework for its activities in areas with the greatest social and environmental impact. Sectoral policies define the scope of intervention in sectors with high environmental impact. These high-risk sectors affect not only the climate, but also ecosystems and their biodiversity. The criteria and principles defined by Crédit Mutuel Alliance Fédérale's sectoral policies for the conduct of its activities thus work to reduce its indirect contribution to the degradation of ecosystems and the erosion of biodiversity.

Crédit Mutuel Alliance Fédérale's agricultural sectoral policy targets one of the sectors with the most significant impact on ecosystems and biodiversity. Through its support measures and aid for environmental certification, Crédit Mutuel Alliance Fédérale's agricultural policy is designed to help farmer customers move towards more sustainable agricultural models.

In a press release, Crédit Mutuel Alliance Fédérale undertook to publish a policy aimed at controlling activities that may contribute, indirectly or directly, to deforestation, particularly in tropical forests. Following this announcement, a working group led by SMR was set up; the policy will be finalized during 2024.

Call for biodiversity projects from the Crédit Mutuel Alliance Fédérale Foundation

In November 2023, the Crédit Mutuel Alliance Fédérale Foundation designated 36 associations as winners of its call for biodiversity projects entitled "preserving nature and living things". Thanks to the societal dividend, a total of €2.5 million will be mobilized to support the projects of these 36 associations. These projects aim to guarantee the preservation of biodiversity in the following six areas:

- restoration of marine, ultra-marine or terrestrial wetland ecosystems (10 projects);
- conservation of wildlife and wildlife habitat (10 projects);
- protection of forest and agroforestry heritage (6 projects);
- supporting farmers in soil conservation (4 projects);
- maintaining biodiversity in urban areas (4 projects);
- preservation of high altitude ecosystems (2 projects).

This call for projects also reflects the commitment made to act4nature international to mobilize dedicated funding to promote an environmental transition that links biodiversity and climate. In retail, Crédit Mutuel Alliance Fédérale had pledged to "devote part of the societal dividend to funding associations working to preserve wetlands and forests, as well as a biodiversity-related research program".

Acquisition of the Dambach forest (Bas-Rhin/Moselle)

In 2023, Crédit Mutuel Alliance Fédérale created the societal dividend and annually devotes 15% of its earnings (around €500 million, based on 2021 earnings) to building a more sustainable and caring world. The Révolution Environnementale et Solidaire fund is fed by the societal dividend and has no financial return objective, focusing solely on the ecological and social added value that the investments made can generate. In 2023, the Révolution Environnementale et Solidaire fund committed €363 million to support four initial structuring projects with a high environmental impact.

The acquisition of the Dambach forest, located between Bas-Rhin and Moselle, is a commitment by the Révolution Environnementale et Solidaire fund to revitalize one of the largest forests in the Grand Est region. Ongoing climate change is threatening the health of our forests. On a global scale, forests are also threatened by human activities: the overexploitation of natural resources and the artificialization of land are contributing to the degradation or disappearance of forests, thus contributing to the global erosion of biodiversity.

The sustainable management of this forest estate of almost 4,600 hectares, located in the heart of the Vosges du Nord regional natural park, is certified by the independent FSC label.

Voluntary commitments

In addition, in 2021, Crédit Mutuel Asset Management joined Business For Nature and Finance for Biodiversity, and signed the Finance for Biodiversity Pledge to support commitments in favor of biodiversity. La Française Group has also been a signatory to the Finance for Biodiversity Pledge since 2022 and has joined two Finance for Biodiversity Foundation working groups. These commitments to the protection, restoration and sustainable management of natural resources must be translated into a responsible investment strategy in this area, in particular by implementing tools to identify, measure and monitor the biodiversity impact of their investment portfolio and shareholder dialogue.

3.9 CSR OF THE TECHNOLOGY DIVISION

3.9.1 Quantitative data

Indicator code	Indicator description	Unit of expression	2023
ENV04	Water consumption	Cubic meter	35,253
ENV05	Total energy consumption	Kilo Watt Hour	71,871,744
ENV05_01	Steam water in urban networks	Kilo Watt Hour	2,902,612
NV05_02	Chilled water in urban networks	Kilo Watt Hour	627,333
ENV06	Electrical energy consumption	Kilo Watt Hour	64,131,060
ENV07	Gas energy consumption	Kilo Watt Hour	3,650,187
ENV08	Fuel energy consumption	Liters	547,916
ENV09	Total paper consumption	Metric tons	59
ENV10	Total consumption of paper for internal use	Metric tons	24
ENV11	Total paper consumption for external use	Metric tons	35
ENV13	Consumption of toner cartridges	Whole number	2,418
ENV15	Recycled used paper as output (waste)	Metric tons	372
ENV15L	Total labeled paper purchased	Metric tons	51
ENV15R	Total recycled paper purchased	Metric tons	4
ENV16	Used toner cartridges recycled after use	Whole number	3,650
ENV18	Business travel – air	Kilometers	1,587,095
ENV19	Business travel – train	Kilometers	8,178,266
ENV20	Motor fleet of the entity – number of km all vehicles	Kilometers	24,841,979
ENV23	Business travel – employee vehicle	Kilometers	420,211
ENV24	Business travel – collective transport – bus-cars-metro-tram	Kilometers	236,050
ENV25	Business travel – taxi & car rental	Kilometers	1,015,851
ENV31	Number of videoconferencing equipment	Whole number	351
ENV32	Number of videoconferences	Whole number	570,651
ENV33	Total duration of videoconferences	Centesimal hours	782,926
ENV34	Documents digitized (paper avoided)	Metric tons	15
GOUV01	Total number of members of the Board of Directors of the structure (in the sense of capitalistic company)	Whole number	57
GOUV02	Number of women on the Board of Directors of the structure (in the sense of capitalistic company)	Whole number	21
GOUV09_02	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged < 40 years	Whole number	2
GOUV09_03	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged 40-49 years	Whole number	5
GOUV09_04	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged 50-59 years	Whole number	36
GOUV09_05	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged ≥ 60 years	Whole number	14
SOC01	Total workforce in FTE	Full-Time Equivalent	6,072
SOC01_BIS	PPH workforce on the payroll	Natural Persons	6,126
SOC01_F201	Female managers with open-ended contracts in France	Natural Persons	1,057
SOC01_F202	Female non-managers with open-ended contracts in France	Natural Persons	449
SOC01_F203	Female managers on fixed-term contracts in France	Natural Persons	2
SOC01_F204	Female non-managers with fixed-term contracts in France	Natural Persons	31
SOC01_H211	Male managers with open-ended contracts in France	Natural Persons	3,260
SOC01_H212	Male non-managers with open-ended contracts in France	Natural Persons	1,175
SOC01_H213	Male managers with fixed-term contracts in France	Natural Persons	3
SOC01_H214	Male non-managers with fixed-term contracts in France	Natural Persons	149
SOC02	Total workforce France (Open-ended + Fixed-term contracts) – Natural Persons	Natural Persons	6,126

Indicator code	Indicator description	Unit of expression	2023
SOC04	Total workforce with fixed-term + open-ended contracts – managers	Natural Persons	4,322
SOC05	Total workforce with fixed-term + open-ended contracts – non-managers	Natural Persons	1,804
SOC07	Individual workforce – Women	Natural Persons	1,539
SOC08	Workforce – open-ended contract	Natural Persons	5,941
SOC08_NCadre	Workforce – open-ended contract – non-managers	Whole number	1,624
SOC08BIS	Workforce – open-ended contract – women	Whole number	1,506
SOC09	Workforce – fixed-term contract	Natural Persons	185
SOC12	% open-ended contract employees	Percentage rate	97.0%
SOC13	Total hires	Natural Persons	899
SOC14	Men hired	Natural Persons	673
SOC15	Women hired	Natural Persons	226
SOC16	Hires with open-ended contracts	Natural Persons	651
SOC17	Hires with fixed-term employment contracts	Natural Persons	248
SOC19	Number of employees with open-ended contracts that quit the organization	Natural Persons	375
SOC20	Number of employees with open-ended contracts that quit the organization on dismissals	Natural Persons	32
SOC27	Turnover (resignations + layoffs + end of probationary period + conventional breach of contract)/ (individual workforce)	Percentage rate	4.8%
SOC29	Number of full-time employees with open-ended or fixed-term contracts (including full-time parental leave)	Natural Persons	5,896
SOC30	Number of part-time employees with open-ended or fixed-term contracts and managers with reduced day package	Natural Persons	230
SOC31	% of full-time employees	Percentage rate	96.2%
SOC32	% of part-time employees	Percentage rate	3.8%
SOC38	Total number of days of absence	Working days	57,045
SOC39	Number of days of absence due to illness	Working days	55,303
SOC40	Number of days of absence due to workplace accidents	Working days	1,742
SOC44	Number of declared workplace accidents with medical leave	Whole number	45
SOC46	Payroll invested in training (payroll expense for training in euros)	Euros	8,959,177
SOC47	% of payroll expense invested in training	Percentage rate	3.1%
SOC48	Number of employees who have had at least one training session	Whole number	5,797.00
SOC49	% of trained employees	Percentage rate	94.6%
SOC50	Total number of hours allocated to employee training	Centesimal hours	116,668
SOC52	Number of work-study trainings	Whole number	81
SOC53	Number of work-study trainings with professionalization contract	Whole number	18
SOC54	Number of work-study trainings with apprenticeship contract	Whole number	63
SOC59	Number of women among managerial staff	Whole number	1,059
SOC60	% of women among managerial staff	Percentage rate	24.5%
SOC61	Number of managers promoted in the year to a higher level of function	Natural Persons	194
SOC62	Number of women among managerial promotions	Whole number	51
SOC63	% of women among managerial promotions	Percentage rate	26.3%
SOC68	Number of disabled workers in the total workforce	Whole number	170
SOC71	% of disabled workers in the total workforce	Percentage rate	2.8%
SOC73	Gross payroll excluding employers' contributions (in €)	Euros	285,472,165
SOC74	Average annual compensation of employees with open-ended contracts – all statuses	Euros	291,805
SOC75	Average annual compensation of employees with open-ended contracts – non-managers – all statuses	Euros	191,155
SOC76	Average annual compensation of employees with open-ended contracts – managers – all statuses	Euros	351,578
SOC81	Total amount of bonus (profit-sharing and shareholding) (in € – excluding employer contributions)	Euros	40,738,227
SOC82	Number of employees having received a profit-sharing and shareholding bonus	Whole number	6,090
SOC88	Workforce < 25 years old	Natural Persons	346

Indicator code	Indicator description	Unit of expression	2023
SOC89	Women < 25 years old	Natural Persons	56
SOC90	Workforce 25-29 years old	Natural Persons	642
SOC91	Women 25-29 years old	Natural Persons	149
SOC92	Workforce 30-34 years old	Natural Persons	830
SOC93	Women 30-34 years old	Natural Persons	224
SOC94	Workforce 35-39 years old	Natural Persons	946
SOC95	Women 35-39 years old	Natural Persons	219
SOC96	Workforce 40-44 years old	Natural Persons	887
SOC97	Women 40-44 years old	Natural Persons	224
SOC98	Workforce 45-49 years old	Natural Persons	901
SOC99	of which women 45-49 years old	Natural Persons	255
SOC100	Workforce 50-54 years old	Natural Persons	774
SOC101	Women 50-54 years old	Natural Persons	199
SOC102	Workforce 55-59 years old	Natural Persons	515
SOC103	Women 55-59 years old	Natural Persons	134
SOC104	Workforce 60 years old and older	Natural Persons	285
SOC105	Women 60 years old and older	Natural Persons	79
SOC107	Total gross annual compensation *(in €)* of employees with open-ended contracts	Euros	280,539,544
SOC108	Total gross annual compensation *(in €)* of non-managerial employees with open-ended contracts	Euros	54,659,023
SOC109	Total gross annual compensation *(in €)* of managerial employees with open-ended contracts	Euros	225,880,521

3.9.2 Specific report of the Technology division (Euro-Information, EI)

As every year, this document brings together the actions of the different entities working in the IT business. In 2023, the main subsidiaries of Euro-Information (EI) are:

- Euro-Information Production (EIP), which groups together all the teams in charge of production (datacenter), Systems and Networks (technical architecture and associated infrastructures), Logistics teams in charge of managing the deployment of IT equipment listed in the Euro-Information catalog (servers, workstations, photocopiers, fixed/mobile telephony, video surveillance, ATMs, etc.), Organization and the Central IT purchasing office;
- Euro-Information Développements (EID), which groups together all the development teams responsible for implementing and maintaining the IT solutions offered in the Information System;
- Euro-Information Services (EIS) which installs, maintains and replaces IT equipment (workstations, ATMs, telephone, etc.);
- Euro Protection Surveillance (EPS) which offers remote security services.

These entities, whose legal form may vary, are all controlled by Crédit Mutuel Alliance Fédérale.

CSR regulations

In 2019, changes in regulations led Euro-Information to structure its reporting through an analysis of the main CSR (Corporate Social Responsibility) risks. An ESG (Environment, Social and Governance) risk map was drawn up containing the scenarios to which the group must respond.

The main group scenarios affecting Euro-Information are:

- the absence of dedicated SMR governance;
- the fact that social and environmental issues are not taken into account in the purchasing policy;
- the fact that the increasing greenhouse gas emissions contributing to climate change in the group's business activities are not taken into account;
- the failure of the IT systems security mechanism;
- on the internal operations of group entities:
  - the absence of a waste prevention and management system,
  - the absence of a policy to reduce consumption of resources (water and paper linked to a tertiary activity).

The non-financial performance statement therefore includes concrete actions to address these risks as well as indicators to address these scenarios and enable monitoring.

Actions by scenario

Preventive measures for the "absence of dedicated SMR governance" scenario

For the period 2019-2023, the group defined a strategic plan *ensemble#nouveaumonde* (together#today's world) in which SMR was fully expressed. The conditions of the health crisis led Crédit Mutuel Alliance Fédérale to revise this strategic plan with the aim of accelerating its transformation and affirming the relevance of its mutualist model in the face of the crisis. It was renamed *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) ". Euro-Information is fully in line with this strategic plan and has an additional objective of providing the group with the IT resources necessary to this approach.

In addition to this revised strategic plan, Crédit Mutuel Alliance Fédérale has become the first benefit corporation in the banking sector. The group adopted the *Ensemble, écouter et agir* (Listening and acting together) *raison d'être* to successfully carry out five missions now integrated into the corporate purpose of Caisse Fédérale de Crédit Mutuel and CIC:

- As a cooperative and mutualist organization, we support our customers and members in their best interests;
- As a bank for all, members and customers, employees and elected members, we act for everyone and refuse any discrimination;
- Respectful of everyone's privacy, we place technology and innovation at the service of people;
- As a solidarity-based company, we contribute to regional development;
- As a responsible company, we actively work for a fairer and more sustainable society.

SMR is therefore fully integrated into the group's governance and indicators on human and mutualist development have been defined and will be monitored. The Euro-Information subsidiaries contribute to the shared objective of reducing the carbon footprint by 30% [1]. The group strengthened its ambitions in the fight against climate change by setting two new targets: increase financing projects with high climate impact by 30% and reduce the carbon footprint of its corporate, asset management and insurance portfolios by 15%.

Group management is carried out by a risk management team. In this context, a document sharing system was set up in 2020 to coordinate/reuse/optimize everyone's actions within the group. Various actions and working groups take place every year, involving the group SMR team, Euro-Information contacts and, depending on the subject, SMR coordinators from other group companies.

A new strategic plan Togetherness Performance Solidarity was launched for the 2024-2027 period. This strategic plan breaks down into three areas, including the "Environmental and Social Revolution". It will bring together all the group's actions in the field of SMR.

In addition, to manage the actions of the Euro-Information scope:

- a dedicated governance body has been set up to optimize the monitoring of SMR projects linked to knowing our customers;
- a sustainable digital strategy has also been set up, and work is underway to establish indicators and launch specific projects. Decisions are made after validation by Euro-Information management.

Scenario prevention measures "The fact that social and environmental issues are not taken into account in the purchasing policy"

As a reminder, the supplier relationship management process is one of the ISO 9001 V2015 certified quality processes monitored and audited by AFNOR. This process also falls within the scope of the ISO 27001 information security management system certification monitored and audited by AFNOR. The last combined renewal audit took place in November 2023. The process is written, published and shows the different steps of a beginning relationship, contractualization and management of the supplier relationship.

As part of this process, the services provided by suppliers have been classified into categories, the main ones being CIF (Critical and Important Functions)/EOS (Essential Outsourced Services) and Other Sensitive Services. This classification is carried out in compliance with the regulations on the identification of outsourcing services (including the guidelines on outsourcing - EBA/GL/2019/02). For the bidding process and in regular fashion, purchasing teams ask these suppliers to provide documents that can attest to their CSR procedures (or to provide the link to the document on the Internet) in order to know the content. This operation is applied in the purchasing process of equipment or software, but also in the context of buying immaterial computer services from DSC (Digital Services Companies) suppliers.

In addition, a sectoral purchasing policy has been developed for the group. It was implemented in 2017 and makes CSR practices easier to understand when it comes to purchasing. Euro-Information has taken this sectoral purchasing policy into account in its procedures. As part of the purchasing policy, in early September 2018, the group signed a charter with its suppliers, with the most important existing suppliers requested to sign first. Signing the charter is now also part of the policy of beginning a new relationship. Some suppliers refuse to sign the charter, sending us a "similar" internal policy. This charter replaces the collection of documents formalizing their CSR approach, except for suppliers of services (DSC).

Crédit Mutuel Alliance Fédérale has decided to review the sectoral purchasing policy. Euro-Information is associated with this revision. Work began in mid-2022 and continued in 2023.

In addition, a new version of the internal rules issued at the end of 2018 recalls a certain number of elements concerning the Euro-Information policy with regard to relations with suppliers. A delegation of authority was signed by the buyers reminding them of the respect related to obligations in mattersof sectoral purchasing policy.

A "Suppliers follow-up" Committee ensures:

- the implementation and updating of procedures for entering into relations with suppliers;
- the monitoring thereof;

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(1) *Scope France, concerns emissions related to energy consumption, refrigerant gas leaks, business travel and the motor fleet.*

- the recovery of ratings (contract quality and quality of services) for essential and sensitive suppliers;
- recovery of financial ratings for essential and sensitive suppliers;
- the retrieval or updating of CSR reports for these same suppliers, even though this functioning was abandoned in 2020 due to the signature of the charter by the suppliers;
- the application of consistent practices within other Euro-Information subsidiaries, namely Euro-Information Services (EIS), Euro Protection Surveillance (EPS), Euro-Traitement Valeurs Services (ETVS), Euro-Personnalisation Chèques Cartes et Composants (EP3C), Euro Télé Services (ETS) and Euro-Information Direct Services (EIDS), when they have specific purchases to make.

The legal, purchasing, risks, security, periodic control and permanent control teams are represented on the Suppliers Monitoring Committee, with a person from the Euro-Information internal audit department as a regular guest. Euro-Information's management is regularly informed of the suppliers follow-up Committee.

In 2023, the main changes were as follows:

- a specific temporary adaptation by Euro-Information of the service qualification appendix (appendix 5 in the process) to better identify a certain number of characteristics in the event of the use of "cloud" type solutions, with a view to filling in the information required for the ECB Outsourcing Register;
- The addition of a "SRB" tab in the same appendix 5 to better identify SRB level (Single Resolution Board) critical services.

Financial and quality ratings are carried out regularly, with the frequency depending on the nature of the service.

For critical and sensitive suppliers, an internal quality control system ensures, by means of a quality rating, that the work has been carried out in accordance with the contractual commitments and that the ratings granted contribute to the overall quality of the IS.

In addition, the review of new versions of equipment (workstations, printers, scanners, copiers) includes a CSR approach to energy consumption since 2013. The deployment of increasingly energy-efficient equipment continues. The constant renewal of the fleet (see section of equipment life-cycle) therefore contributes to reducing energy consumption.

A working group on the hardware lifecycle was launched at the end of 2021 as part of the digital sobriety strategy (see dedicated chapter). The conclusions of this group will impact the purchasing process if necessary. In addition, in 2021, Crédit Mutuel Alliance Fédérale decided, through its subsidiary Euro-Information, to donate just over 500 laptops to various associations and universities (Les Restos du Cœur, Emmaüs, etc.) in order to take action, alongside these associations, to support people in difficulty. This donation policy continued in 2022 and 2023. 1,600 laptops were donated in 2023, along with 300 smartphones and EPS protects more than 300 Restos du Cœur sites. These operations will continue in the coming years.

Prevention measures for the "Not taking into account the increase in greenhouse gas emissions contributing to climate change in the group's business activities" scenario

Several tools have been put in place to deal with this scenario.

CSR tools for reporting and group carbon assessment monitoring tool

Each year, the CSR reporting tool, as well as the scope presentation tool, are updated, in particular to adjust the reporting scope. These tools were once again the basis for the group's NFPS indicators related to SMR.

As they do every year, Euro-Information's teams took part in calculating the group's 2022 carbon footprint, particularly with regard to fixed assets (user equipment and datacenters) and home-work travel.

Following a working group on the direct footprint conducted as part of the preparation of the new strategic plan, a project to automate the calculation was launched at the end of 2023. In order to make the overall calculation of the carbon footprint more reliable and to complete the approach with a reporting tool, this project should respond to the following expectations:

- provide a simple breakdown of the group's carbon footprint by entity and by item, to enable entities to act on the various items and see the concrete results of their decarbonization strategy;
- for certain footprint components, move from a statistical/factual calculation mode to a real mode;
- replace CO2 coefficients derived from external data sources (*e.g.* ADEME) with actual CO2 coefficients provided by suppliers, where available;
- make the link with the energy footprint calculation carried out for ISO 50001;
- measure the carbon footprint in tCO2/FTE to neutralize changes in scope;
- extend the scope to all countries where Crédit Mutuel Alliance Fédérale is present (currently limited to France).

Managing the impacts of sectoral policies and ESG regulations in the banking business

Non-financial data collection

The roll-out of the Référentiel des Biens Immobiliers (RBI - Real Estate Repository) began in November 2023. This repository makes it possible to centralize all information relating to customers' real estate property, in particular the energy performance diagnosis (DPE), and also to better assess the exposure of outstanding loans to physical risk.

The traceability of "sustainable" financing granted to customers is improved thanks to the implementation of identification criteria in the Information System. This work will continue in 2024.

Details of the ESG rating application

The NOTESG application was rolled out in June 2022. It makes it possible to view, for the group's corporate customers, the E-S-G (Environmental, Social and Governance) ratings and controversy ratings assigned by the non-financial rating agency ISS-OEKOM. In 2024, this application will be upgraded to include an internal ESG rating for counterparties. Initially, this rating will be requested for large companies.

Digital sobriety strategy

At the end of 2019, CIGREF decided to set up a working group called *GT Sobriété Numérique* (Digital Sobriety WG). It considered that awareness of digital energy and environmental issues was only just starting to become apparent, even though it was increasing and the growing impact of digital services on greenhouse gas emissions was becoming alarming.

Euro-Information took part in the creation of this working group and participates in the discussions. Euro-Information was already doing a lot in terms of digital sobriety, without communicating much on the subject, for example:

- promoting the reuse (second life) of equipment (EIS/Circuit Broker);
- where a second life is not possible, ensuring an appropriate recycling or destruction process;
- optimizing the architecture and layout of datacenter rooms;
- virtualizing servers and storage units;
- defining archiving and data cleaning rules in line with the GDPR.

In 2022, the *GT Sobriété Numérique* became the *Cercle sobriété numérique* (Digital Sobriety Circle) and Euro-Information continues to be involved in the latter.

At the same time, Euro-Information decided in 2021 to implement a responsible digital strategy. It was decided to promote this approach to the entire company through the following priorities:

- responsible purchasing and life cycle: hardware is a major item in the carbon footprint;
- digital services: the use of IT resources has a major impact given the number of employees in the group;
- infrastructure: an issue already identified and which must be pursued using the same strategy;
- projects: all new projects must have a digital sobriety dimension.

For each of these topics, working groups began in the fourth quarter of 2021. Initial actions and indicators have been put in place. This work is part of a continuous improvement process. The aim is to achieve rapid, measurable environmental gains in the short term. In the long term, the aim is to anchor the digital sobriety strategy within Euro-Information in order to achieve the environmental objectives of the coming years.

A Euro-Information internal audit was carried out on the digital sobriety strategy and its implementation. It confirmed the approach taken by Euro-Information.

Since 2023, SMR has been one of the training themes in the Euro-Information catalog, and employees can follow various training courses that present the issue (Climate Fresk/Digital Fresk) or the internal approach (SMR for Euro-Information, for example).

Responsible purchasing and life cycle

WG Responsible purchasing and life cycle

In 2022, the responsible purchasing and life cycle working group implemented several elements, such as:

- making a reliable indicator that periodically produces statistics on the average replacement age of equipment. It is posted on the intranet and published at the beginning of each year;
- introducing a short-term rental service, available in the catalog since the end of January 2023, with specific invoicing terms and conditions. This makes it possible to manage the reuse of equipment, thereby increasing the overall useful life of the equipment.

Other representative indicators are planned (*e.g.* the monitoring of repaired or reconditioned equipment, the monitoring of waste electrical and electronic equipment WEEE).

Several rapid action levers have been identified, such as integrating the environmental criteria of ADEME's digital charter into Euro-Information calls for tender, or limiting surplus equipment by eliminating local stocks. Studies began to define the modalities.

Actions concerning the hardware circuit and the impact on WEEE will be described in the responses to the following scenario.

Rationalization of tablets and face-to-face signing

An initial project to rationalize the fleet of electronic signature tablets has now been completed, leading to a 20% reduction in the number of tablets. As a result, almost 5,000 tablets have not been renewed across the Crédit Mutuel and CIC bank networks.

This project has optimized the use of peripherals associated with the workstation, and reduced logistics costs for the entities concerned.

As part of the 2024/2025 tablet replacement plan, the Banks and Federations have been asked to carry out a further rationalization of the tablet fleet. A survey of needs is currently underway, with a view to starting the replacement plan in the 2nd quarter of 2024.

At the same time, two new functions have been deployed to make it easier for advisors to use electronic signatures on a daily basis:

- temporary pairing of a tablet, enabling an employee to assign any tablet available at the branch;
- face-to-face signature through which the employee's PC replaces the physical tablet at the time of the customer's electronic signature.

On the second point, twenty entities are fully deployed, with three entities in pilot phase. The solution should be fully deployed in 2024.

Digital Services

Digital Services WG

The objective of the Digital Services WG is twofold:

- raise awareness among users of the Information System of the challenges of digital sobriety and the environmental impact of their use of IT;
- provide users with information to improve their use of digital technology while reducing their environmental impact.

Several studies are underway on a number of topics, such as:

- user awareness and empowerment;
- the electricity consumption of the equipment installed;
- users' personal office data and messaging;
- printing.

A number of projects are currently underway on subjects other than user support:

- pilots on the new personal data backup tool are progressing;
- continued reduction of the number of printers in head office and branches;
- management of authorizations for Outlook PST files will go live in Q1 2024;
- the tool for automating the transfer of mobility between branches and head office will go into production in Q1 2024.

Clean Your Desk

Since 2020, as part of Sustainable Development Week and in connection with Digital CleanUp Day operations, Crédit Mutuel Alliance Fédérale has been carrying out digital clean-up operations, through the Eco Clean Up Week action renamed Clean Your Desk in order to involve employees in the goal of reducing the digital footprint.

The aim of these operations is to raise awareness and teach employees the importance of limiting the resources consumed at their workstations. The operation consists of deleting and accounting for the size of all files deemed to be of no use, focusing on deleting duplicates of large files. The action also concerns the cleaning of personal messaging systems.

The last operation in March 2023 resulted in the following gains:

- 4,086,121 files at workstation level;
- 7,948,512 emails deleted;
- 1,798,847 files in shared folders deleted;
- 3,759,376 files from U drives deleted.

Together, these files represent 16,595 Go.

As for the physical Clean Your Desk program, a pilot project was carried out this year with Crédit Mutuel Midi Atlantique to recover equipment no longer in use (IT equipment and accessories such as cables or keyboards/mice no longer in use). The results of the pilot show that this equipment must be recovered at the same time as EIS deploys the hardware components, in order to avoid costs for the sites. The study is underway and should be gradually integrated into existing processes.

Infrastructure

Infrastructure WG

The Infrastructure WG is working on several topics.

An enhanced obsolescence monitoring system was set up in 2022, using indicators stored in Euro-Information's decision-making system, to identify/group obsolete infrastructures. This made it possible to dismantle 42 blade chassis and 360 older server chassis. In addition, as part of the drive to overcome storage bay obsolescence, energy-hungry disk bays using mechanical disks have been replaced. Replacing them with flash disk arrays represents a power reduction of 85kW. At full load, this represents a saving of 744,600 kWh per year.

Euro-Information has also contracted a global offer for the treatment of end-of-life datacenter equipment.

This includes:

- a service for the destruction and sustainable recycling of equipment that complies with WEEE standards (residual of 0.03% in waste disposal centers);
- the possibility of revalorizing certain equipment that is still viable;
- the production of a report on Euro-Information's contribution to the circular economy.

Euro-Information intends to take full advantage of this contract as part of the transfer of its datacenters to Dijon, with the dismantling of the Strasbourg site.

In line with the work of the Purchasing and Life Cycle WG, it is also planned to integrate various CSR criteria into the referencing of suppliers, such as their CSR policy, their annual report, and their maturity with regard to environmental aspects according to the ECMA370 standard, in addition to the environmental criteria already in force in the calls for tender.

Storage sizing will be addressed by looking at opportunities in several areas: duplicating data, reducing certain logs and moving cold data - which is rarely accessed - to more virtuous storage units.

The WG has initiated in-depth work to obtain highly granular indicators at infrastructure level, in addition to datacenter data, so as to be able to render energy costs at application or transaction level.

Evolution of datacenters using the best green practices on the market

The development of the group requires constant IT developments and therefore a processing and storage capacity that is constantly evolving. The extension of Euro-Information's Lille site, with the construction of new machine rooms, was handed over at the start of the September 2021 academic year. The main installations for this part of the datacenter, notably the containment and free-chilling systems, are now complete. Energy optimization work was carried out in parallel for the historic rooms.

Euro-Information has launched the construction of a datacenter in the Dijon region (with two sites at St Apollinaire and Fauverney, which will replace the Strasbourg site within two years of their commissioning). Work is underway, and the buildings will be handed over in 2024.

These datacenters will comply with numerous standards/labels and regulations aimed at reducing environmental impact in terms of both energy and biodiversity preservation, as well as safety certifications. The main targets are compliance with the European Code of Conduct for datacenters, HQE sustainable building certification (excellent level) for the administrative part of the building, the biodivercity label (excellent level) and the integration of waste heat recovery.

All these projects will employ free chilling (adapting the cooling method to the outside temperature) and containment techniques (eliminating hot spots by separating bays and creating cold aisles). For the Lille site, this represents savings of 3,800,000 kWh for a load of 1,000 W/m2.

The implementation of these changes should make it possible to achieve a PUE (Power Usage Effectiveness) of less than 1.5 for these new datacenters in northern France; where possible, these methods will be applied to other existing datacenters.

The Go2Dijon project to transfer the Strasbourg datacenter to these new premises is underway. The switchover will take place over a period of two years after handover.

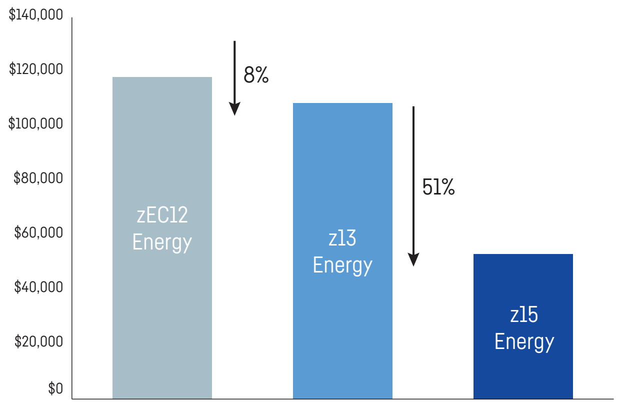
Installation of IBM's new Z technologies

Since 2021, Euro-Information has deployed IBM machines using Z15 technology at the Strasbourg and Lille sites. These machines deliver safety, resilience and agility. IBM also communicates on the energy consumption control of its Z range (a subject integrated into its strategic objectives). Each new generation must have better energy efficiency than the previous one. Tests by certain bodies show savings of 14% between Z14 and Z15 (savings are 51% between Z13 and Z15).

IBM announced in late 2021 a new line of machines, the Z16. Euro-Information was one of the first ten customers worldwide to have deployed this machine. Five machines are in service and four others will be replaced by Z16s by the end of Q2 2024:

In addition to the many security, resiliency and agility enhancements of the Z15, the Z16 will provide:

- 7 nm etched processors, bringing 17.6% power gains over 14 nm for the same or even lower power consumption;
- the integration of AI accelerators directly into the processors, allowing specific accelerators to be offloaded or even eliminated, and to integrate processing capabilities for the banking and financial world as close to the Z as possible. For example, the fight against fraud.



Projects

Projects WG

The Projects WG has begun to identify indicators providing information on the carbon footprint associated with Euro-Information projects. Among the work in progress, the following are being studied:

- The relevance of strengthening technical performance analyses (metrology, technical debt) through an eco-index;
- The ability to aggregate all performance measures for an application.

Following the experiment launched in 2022 on the www.e-i.com site to make an "eco" mode available, Euro-Information is continuing its work on Digital. Eco-design applied to a high-performance website makes it lighter, optimizes its performance and reduces its carbon footprint. It is a complementary approach to work on pure performance. At the design stage, it is necessary to determine what is essential to render to a user, in addition to lightening resources/assets (images, videos, etc.).

In preparation for the future, Euro-Information is carrying out an exploratory phase of market tools to determine how it would be possible to industrialize the calculation of a digital environmental balance sheet, and how to provide relevant monitoring.

As part of the EI Epithète certification process (see specific chapter), the WG will be taking part in work to set up indicators and optimize resources, with the aim of using the methods and results to build the equivalent at the level of the global information system. Metrics monitoring is currently being set up with the EID invoicing team.

Meetings will be held with portfolio and project management process managers to present work on the introduction of environmental criteria into upstream project documents. In particular, the demands of business line customers resulting in a significant increase in energy consumption need to be identified so that this impact can be taken into account when deciding to launch the project.

Energy sobriety

Since the beginning of the SMR approach, the group has taken into account the energy efficiency dimension in its actions in order to limit its impact and coordinates this through an ISO 50001 certification. The energy crisis of 2022 and the start of the implementation of the tertiary decree made it necessary to add other priority actions.

Energy optimization in the real estate and motor fleet approach

Euro-Information is a key player in the group's energy-saving approach, and is part of the scope of ISO 50001 certification. The group obtained this certification at the end of 2020, and it was renewed in October 2023 under the guidance of Centre de Conseil et de Service (CCS).

This project, launched in 2019, targets banks and branches, head offices and datacenters. Euro-Information is therefore concerned by the last two scopes.

The scope of Crédit Mutuel Alliance Fédérale's EMS (Energy Management System) covers all of the real estate portfolio, *i.e.* 1.85 million square meters spread over more than 3,800 buildings with more than 5,000 meters, as well as the entire motor fleet of nearly 3,300 vehicles. At Euro-Information level, this certification targets datacenters, buildings occupied by Euro-Information staff and subsidiaries as well as the motor fleet (company and service vehicles) and all IT equipment.

This certification will serve as a basis for the implementation of the tertiary decree targeting a gradual reduction in energy consumption of buildings by 2050.

For example, thanks to this system, the 1-degree rise in temperature at Osny will have resulted in an estimated saving of 196,000 kWh per year. Similarly, it will have made it possible to formalize the temperature instructions which apply for the technical premises of the group's local banks and agencies.

The latest ISO 50001 renewal audit, which took place in mid-October 2023, was conclusive, with no compliance issues or sensitive points. Good progress in the maturity of the system over the three-year cycle was reported.

For data centers a very strong improvement in the counting, calculation and analysis of indicators, a better involvement of maintainers and the implementation of the digital sobriety approach have been reported.

Two IT indicators, in addition to Power Usage Effectiveness (PUE), were set up in early 2022 to measure the energy efficiency of the Lille and Osny datacenters.

- In Lille, a ratio is established between the number of transactions per IBM Z machine and the site's energy consumption;
- In Osny, the ratio is established between the datacenter's storage capacity and its energy consumption.

In both cases, the indicators show an improvement in the energy efficiency of transactions and storage. For example, the monthly IT energy consumption of the Lille site in January 2019 was 564,000 kWh for 3.7 billion transactions. In December 2022, the site's consumption was 650,000 kWh for 5.6 billion transactions. Energy efficiency improved by 23%, thanks to the installation of new machines and the optimization of existing ones.

The ENERGY tool has been available to CCS users since September 2023. This service is an operational management tool for decision-making, which is used to monitor, investigate, trace and simulate in order to improve the energy performance of buildings. A version for local bank and branch entities will be rolled out in the second quarter of 2024.

Building energy sobriety plan

As part of the group's energy sobriety plan, Euro-Information has followed the recommendations put in place since 2022:

- reduction of unnecessary lighting (parking lot lighting timers for example);
- revised setpoints with a minimum of 19° and a maximum of 26° for buildings. These values control heating and air-conditioning operation;
- removal of electric lights for Christmas decorations.

Hardware shutdown

For several years Euro-Information has been deploying a solution for automatically shutting down computers at night in local banks and branches. A new version was rolled out in 2018 to be more precise in the shutdown schedule. Indeed, the tool is connected with the local bank/branch office repository which contains the actual attendance times. This tool works every day and more than 45,000 computers are involved. At the same time, a head office version was set up for almost the entire scope at the end of 2019, making it possible to target nearly 45,000 workstations. This version has been accompanied by the construction of a report for better understanding the impact of this shutdown and for measuring developments in consumption according to the actions carried out. The measures show that the maximum saving possible is about 60% of the time for the local bank/branch office workstations and about 45% for the head office workstations. The actual gain ranges between 30% and 40%. 2022 saw the extension of this system to all press workstations.

The estimated gain for the group (head offices and local banks/branches) from extinction over the 2023 period is €865,077 of electricity, corresponding to around 393 metric tons of CO_2 not produced.

New changes are also being considered, in particular the forced standby of workstations to which users have remained connected (locked workstations). Standby mode is currently being measured, and discussions are underway regarding its energy consumption.

The introduction of remote working has led to a new paradigm on several parameters:

- electricity consumption during the remote working period is borne by the group, but the non-consumption is accounted for by consumption at employees' homes. Actual consumption on the group's sites is therefore zero on these days;
- remote automatic shut-down and restart is more complex to perform and monitor;
- the consumption-focused approach is very different because employees who do not have a permanent place at home tend to start/stop their workstations manually, which is beneficial but, as indicated previously, more difficult to monitor.

The precise impact of these parameters can only be measured by comparing them with the HR data that trace the periods of remote working, as technical monitoring does not allow this to be done.

In the same dynamic of reducing energy consumption, 80 automats (bank machines, kiosks and other coin roll dispensers) in the Verlinghem test rooms are now switched off electronically by default. They can be reserved by developers according to their needs, who must turn them on and off according to their needs. The operation dates back to October 2022, as the PAULA project started in 2023 (see specific chapter), so the use of this test room is no longer comparable with past years. The expected target will be monitored in future years.

Change in the motor scope

A tool equivalent to the ENERGY solution for real estate is currently being deployed to optimize the energy performance of the group's vehicle fleet, by generating and making available consumption indicators by motor fleet (by group entity) and consolidating all fleets.

The indicators monitored are, among others, the following:

- breakdown of motors by energy source (gasoline, diesel, electric, non-rechargeable hybrid, rechargeable hybrid);

- change in kilometers traveled;
- evolution of the average CO2 rate over the years and breakdown by energy;
- group reference rate of the LOM law (French law on mobility).

They can be accessed *via* the "ENERGY" portal.

At the same time, as for all group companies, Euro-Information's motor fleet is moving towards electric or hybrid vehicles, and electric recharging stations are being deployed at sites. These terminals are accessible to both the fleet and employees' vehicles.

It should be noted, however, that this trend is less rapid for the utility vehicles used by EIS and EPS technicians, due to the less advanced offer from manufacturers for this type of vehicle.

Eco Driving

Since 2012, EIS has implemented a specific mechanism to promote eco-driving. This process continued in 2023 and the following actions are to be reported:

- eco-driving training: ten sessions in 2023 with 26 participants;
- "eco-driving" reminders on stopping and parking, speeding and penalties;
- monitoring of fuel consumption (6.7 liters in 2012 at launch): 6.20 liters/100 kms on average in 2021, 6.19 liters/100 kms on average in 2022, 6.21 liters/100 kms on average in 2023.

This training course was included in the 2023-2024 training catalog for the group's various entities, and is aimed at employees who regularly use a company vehicle or their own vehicle in the course of their duties.

Setting up videoconferencing facilities to avoid travel

Videoconferencing has become a widespread means of communication in recent years. It meets a wide range of needs, from in-house meetings and remote training courses to customer meetings. For several years now, banking networks have been offering customers the chance to meet their advisor by video appointment (almost 200,000 appointments per year). To enhance the protection of exchanges, Euro-Information has implemented an in-house solution enabling customers to be hosted directly on secure infrastructures.

This solution addresses the following challenges:

- propose an additional channel for communication with customers;
- adapt to new communication habits, with the image of a modern bank 2.0;
- maintain contact with customers who are less available, relocated, have reduced mobility, etc.;
- assist customers in their procedures on the online banking sites;
- facilitate three-way meetings: customer-advisor-industry expert (real estate, flows, assets, etc.) remotely, to increase availability and reduce travel (agility, costs, risks);
- reduce the carbon impact by reducing physical travel.

From their workstations, all employees benefit from a Softphone solution (telephone integrated into their computer) and the software required for videoconferencing. In addition to equipping employees' computers, Euro-Information has deployed numerous videoconference rooms to facilitate weekly staff meetings, training sessions and customer meetings.

For important meetings such as Crédit Mutuel shareholders' meetings or staff meetings, a streaming solution implemented by Euro-Information enables real-time video broadcasting for a large gathering of connected people.

For greater flexibility, some training courses are now held by videoconference, using applications that facilitate interaction between participants.

In this way, the communication tools made available are part of the daily life of all group users, thanks to their essential functions.

Prevention measures for the "Internal operation of the group's entities: the absence of a waste prevention and management system" scenario

Numerous measures are being implemented to address this scenario, and are anchored in the group's Digital Responsibility strategy.

Equipment circuit

On behalf of Euro-Information, Euro-Information Services (EIS) provides installation and maintenance services for IT equipment and associated logistics services. EIS is therefore a major technical player in the repair, reconditioning and recycling of equipment, and ensures that the products entrusted to it for destruction follow an appropriate recycling channel for WEEE (Waste Electrical and Electronic Equipment). In 2023, more than 18,670 man-days were dedicated to replacing end-of-life products (printers, workstations, laptops, inverters, PLCs, electronic payment terminals, etc.). Nearly 161,390 defective products were processed by the repair shop, 65,881 uninstalled products were reconditioned and 70,207 were directed to a broker.

EIS pursued regular technical discussions with the group's user support structures to ensure accurate diagnoses (by setting up a Diagnostic Assistance Tool called "DAT"), avoiding unnecessary travel. In addition, in order to optimize the travel of its technicians, EIS continues to monitor an initial resolution indicator (RPC in French), the objective of which is to troubleshoot from the first intervention. This approach saved more than 18,000 trips compared to 2011. In addition, the decrease in the percentage of recurrence in the area of ATMs saved 3,500 interventions/year compared with 2010.

The activity of reconditioning and trading used IT equipment (brokering) continues to evolve, and thus makes it possible to avoid the destruction of equipment as far as possible.

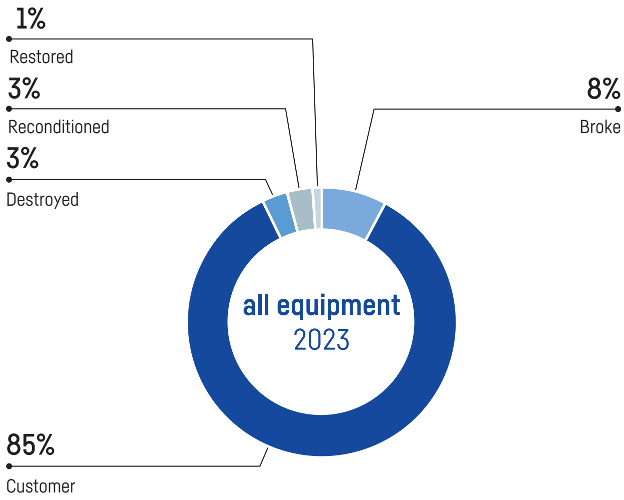
As a reminder, to monitor this activity and its evolution, statistics were set up back in 2015. Thus, an un-installed device is either:

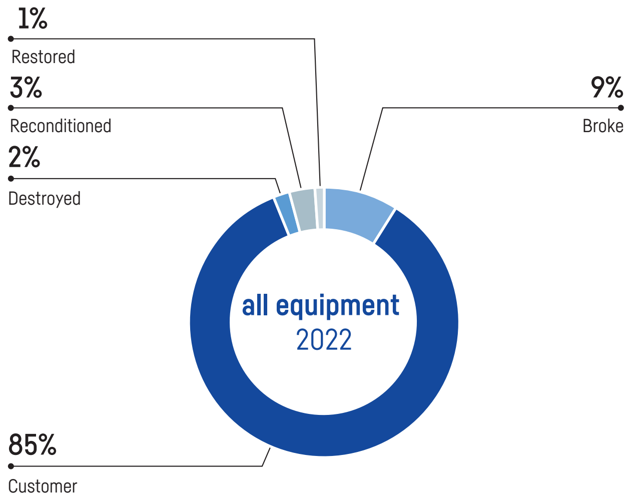
- restored (initial state);
- reconditioned (and put back into stock to be returned to the customer circuit);
- brokered (resold);
- destroyed (if beyond repair or resale).

This analysis can be done by product family and by customer entity since January 2014. Since the 2019 declaration, Euro-Information can compare the situation at the end of five years for each purchase generation, and if necessary, analyze changes after 2, 3 or 4 years. Customer entities may also perform their own analysis.

This vision is partial and based on the stages of the physical circuit.

Here are the findings:



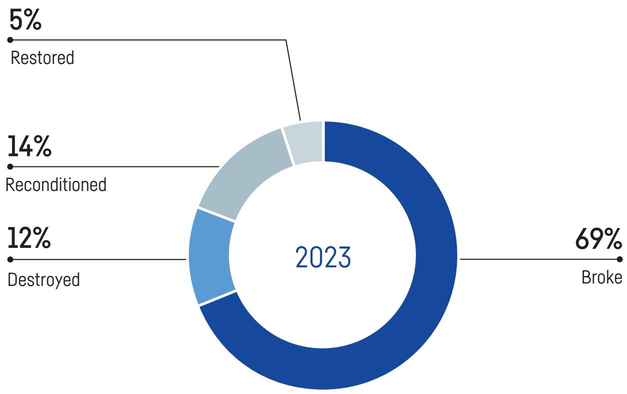


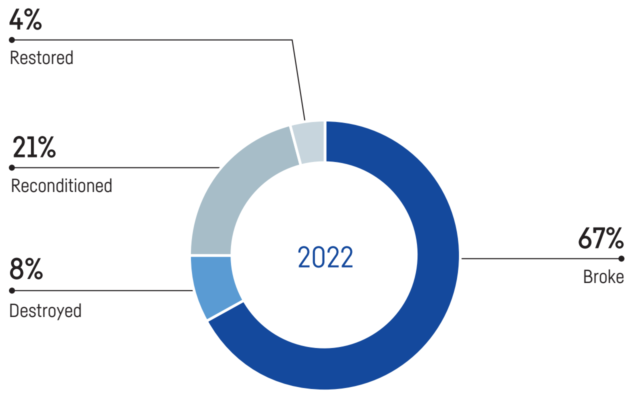
The volume of equipment destroyed is increasing, while that sent to brokers is decreasing. In terms of overall material volume, the destruction and brokerage rates remain under control, falling from 2% to 3% for destruction, and from 9% to 8% for brokerage.

This trend is associated with a steady increase in the managed fleet, with 929,879 references in 2022 and 943,560 in 2023, with a slight decrease in customer renewals in 2023 (138,328 in 2023 *vs.* 141,299 in 2022).

The largest equipment families (monitors, workstations and laptops, printers) now account for 60% of movements over the year. The general trend is the same for these major components, but the replacement of individual printers by MFPs has led to a greater trend in this family this year, with a higher percentage of restored than for laptops and monitors.

Family of screens, workstations and laptops, printers





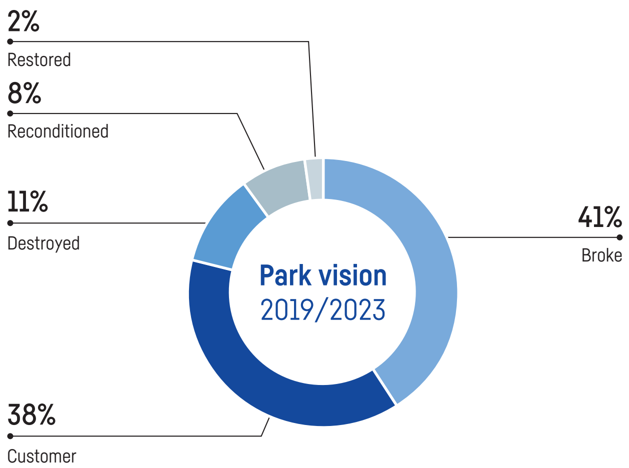
Since 2018, the depth of historical data allows us to understand the future of a fleet in five years and therefore to compare two generations.

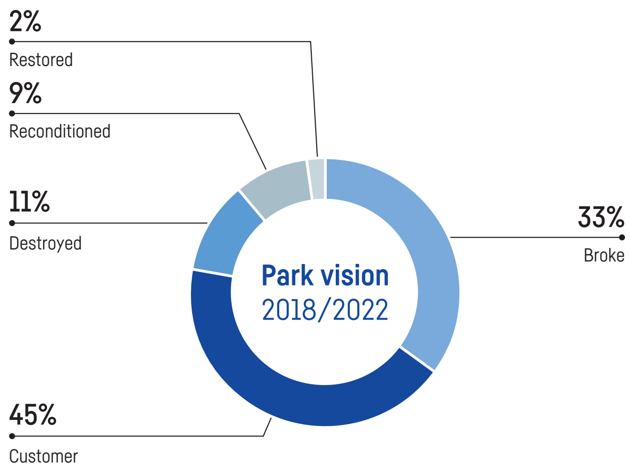
Out of an installed base of 715,796 references in 2019, the situation in 2023 was the following:

- 38% were renewed at the customer site;
- 41% sold to brokers;
- 8% were reconditioned;
- 11% were destroyed;
- 2% were restored.

Compared with the previous history (2018-2022), the proportion of "destroyed" and "restored" states remains stable (11% and 2%).

All equipment





Volume still with customers after five years is down to 38%, while the resale rate *via* brokers is up to 41%.

These trends are the result of Euro-Information's major hardware development projects, such as:

- introduction of Softphony, replacing IP telephones;
- replacing individual printers with secure shared MFPs.

The standardization of workstations to enable the implementation of Flex-office will also impact the lifespan of user equipment (deployment of universal docks accepting different workstations, reduction of fixed workstations replaced by laptops, etc.).

On the other hand, a uniform 2% of products are in restored state, corresponding to equipment in the process of being assigned to its new category.

In 2020, an additional recycling channel for keyboards and mouse devices was set up. The local banks, branches and head offices can now return these items to EIS for destruction. This system relies on the group's existing shuttles and will facilitate the recovery of used equipment. For these accessories, in 2021, this process made it easier to control the end-of-life process for WEEE.

The destruction of WEEE is carried out in accordance with the regulations, with the help of an approved partner who recycles and revalorizes the products. Quantity tracking makes it possible to see the real evolution of volumes, which remain in line with business volumes. In 2020, the volume was much lower (183 metric tons) because the overall breakdown and repair activity had significantly slowed down due to the health crisis. The increase in waste volume in 2023 is due to EIS taking over the recycling of worthless de-installed equipment, to improve traceability, which had previously been entrusted to the broker.

	Qty 2018	Qty 2019	Qty 2020	Qty 2021	Qty 2022	Qty 2023
TOTAL WEEE *(in kg)*	251,125	244,683	183,107	208,050	188,929	314,232

Reduction and processing of non-electronic waste

Euro-Information complies with the regulations on the disappearance of plastic in accordance with group directives and regularly improves its treatment of waste:

- recyclable cups in the vending machines;
- napkins made of recycled paper;
- provision of mugs and/or glass bottles;
- centralized waste sorting terminals with recycling circuit;
- compliance with regulations on bio-waste.

Specific waste from the bankcard manufacturing process

In 2023, Euro-P3C deployed 85.5% PVC and 100% recycled cards in the Crédit Mutuel, CIC and TARGOBANK in Germany networks, as well as PET plastic cards recovered from the oceans for the Crédit Mutuel and CIC networks. The carbon footprint of one kilogram of PVC is estimated at 4.1 kg of CO2 equivalent compared to 2.1 kg of CO2 for recycled PVC. At the same time, a collection circuit for cards swallowed by ATMs has been in place since 2021 to recover the PVC from these cards once they have been destroyed.

The lithium battery from DCVV cards is recovered and recycled through the hazardous waste chain.

In addition, Euro-P3C continues to recommend the use of recycled paper for card inserts, has extended its Forest Stewardship Council (FSC) certifications to most of its range of checkbooks and check and cash remittances, and has launched a series of actions to reduce paper waste in check production.

Prevention measure for the "Breakdown in IT security" scenario

Several actions help to address this scenario, both in terms of security in the broad sense and the availability or security of data.

Security of the IS

Considering the processing of sensitive banking data and the numerous offers of services proposed by Euro-Information, very special attention is paid to all aspects of the IT system, which evolves each year to adapt to new risks and strengthen defenses. All means are implemented to secure the community system. Thus, based on the ISO 27001:2017 standard, an Information Security Management System (ISMS) is deployed on all production sites described above. This ISO 27001:2017 standard constitutes a recognized certification reference system. It provides a framework for implementing, maintaining and improving an Information Security Management System over time. The ISMS takes into account:

- the external context;
- the internal context;
- needs and expectations of stakeholders.

The ISMS challenges are:

- to bring tangible improvements to the security of the Information System by:
  - putting in place an operational governance of security,
  - adopting a risk approach to manage security,
  - defining security rules,
  - ensuring the application of these rules;
- to continuously improve the security of the Information System by:
  - measuring the security levels achieved,
  - performing a security watch,
  - taking into account new threats and developments in the IS,
  - reducing the impact and frequency of security incidents.

This ISMS enables to:

- increase trust among stakeholders (supervisory authorities, banks, federations, partners, suppliers, personnel of Euro-Information);
- have a competitive advantage when responding to the bidding process;
- systematically treat IT security risks in the areas concerned;
- control security by means of indicators and not by measuring effort (cost, time, number of people, etc.).

In accordance with the commitments made as part of the 2014 medium-term plan, Euro-Information successfully passed the ISO/IEC 27001:2013 certification audit in 2017. This certification was confirmed during the 2018 and 2019 surveillance audits and renewed in 2020 as part of a first combined ISO 9001 (quality management system) – ISO 27001 (information security management system) audit. This certification (No. 2017/77568.10) thus validates the Information Security Management System implemented on the IT production centers.

2020 was the beginning of a new three-year cycle which confirmed the ISMS-QMS synergy. The combination of these two management systems, by integrating security measures into the mapping of business processes, enables to ensure that they are included at the early stages of products and services supply. This methodology will make it possible to extend the ISMS to development activities, by adapting the processes, the assessment and treatment of risks, the control plan, training and awareness-raising actions in line with the new requirements. The renewal is based on the revised version of the standard, version 27001:2017.

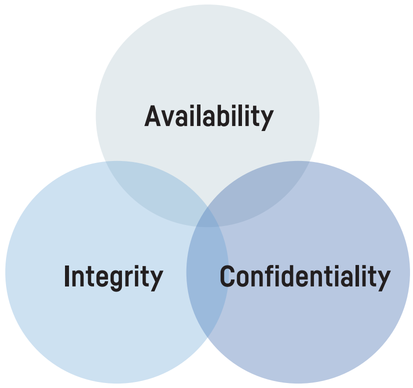
Since 2023, part of our development teams have been included in the scope of ISO 27001 certification.

Certification was therefore obtained in October 2023 for this new scope. In addition, a new ISO 27001 certificate was obtained in 2023, specifically for digital invoice digitization services (e-invoicing).

The validity of this certificate can be checked using the following QR code:

The basic principles remain the following:

- availability: provide a reliable system with permanent accessibility;
- confidentiality: secure access, processing and data;
- integrity: guarantee reliability of data.



In addition to these basic principles:

- traceability: knowing from where the information is coming, where it has been and where it is going;
- identification/authentication: the security of information and access to it also involves the identification of those who access it, and their authentication (proving that a person is who they claim to be).

The detection and response to security incidents is carried out by the security control tower whose missions can be summed up in three words:

- anticipation;
- detection;
- response.

To cover these missions, the security control tower consists of:

- a single point of contact for Security (Security SPOC);
- a Security Operations Center (SOC), a true “radar” of IT security in charge of all aspects related to the detection of non-compliance;

SECURITY OPERATION CENTER

- the CERT Crédit Mutuel Euro-Information to manage the resolution of security incidents, monitor and inform about threats.

CERT Crédit Mutuel EURO-INFORMATION

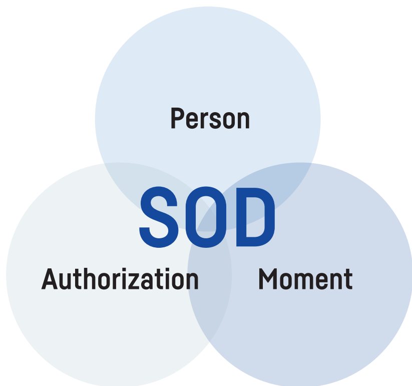
The CERT CM Euro-Information is also responsible for cyber threat intelligence. As such, it is the preferred point of contact for external entities wishing to warn the group of a threat to itself or its customers.

Security control tower publishes a *Sécurité* newsletter every week. It presents the past week’s news on topics related to security generally and/or to news about bank security. The newsletter is available every Wednesday (excluding operational constraints) in French, English, Spanish, German and Portuguese.

Human Resources and organization security is based primarily on:

- reinforced and clear security governance with a specialized team around the Information System Security Network and a network of security correspondents in the group’s entities and business centers;
- permanent security awareness of the entire Euro-Information staff in e-learning and/or face-to-face training;
- a user charter associated with the internal rules. This charter illustrates the professional, respectful and responsible behavior that every employee of Euro-Information must display when using the resources of the Information System;
- an annual training plan guaranteeing the maintenance of Euro-Information’s staff’s skills in security matters;
- management of user access rights by powerful tools with regular and formal reviews.

The security works on the principles of the SOD (Segregation of Duties) concept that meet the requirements of the legal standards and obligations (SOX, Basel II, ISO 27000, COBIT, ITIL, ISACA, Order of November 3, 2014, etc.) and based on the adequacy of three elements:



Since April 2020, Euro-Information has set up a Red Team. This team is tasked with simulating attacks to assess the overall security of the company by testing its various means of protection, whether technical, physical or human. Red Team Campaigns, in addition to assessing the overall level of security of an information system, also enable to assess and improve the actions and responses of the Blue Team in the face of any intrusion detection. This team, in addition to assessing security and compliance with company requirements, therefore works closely with the Blue Team to improve and test the means of detecting and responding to security incidents.

In September 2022, Euro-Information set up a security supervision team known as information security control. The objective of this team is to streamline, automate and extend the scope of normative (ISO 27001, PCI-DSS, SWIFT, etc.) or regulatory compliance controls, while ensuring consistency in the production and supervision of controls.

The security system as a whole is such that Monetico Paiement, the commercial payment solution, has been certified every year since November 2007, PCI/DSS level 1 (the highest security level). This certification guarantees customers the quality of performance of this solution on the technological infrastructure for storing, processing and transmitting payment card information.

Euro-Information has decided to increase the scope of certification. This ambitious and innovative project resulted in a first success on April 30, 2019 with the certification of batch 1.0 (acquisition scope), the result of a five-year project involving the work of more than 70 Euro-Information teams and aimed at making this new environment available to nearly 300 users. The installation of this new environment of nearly 500 machines (including two mainframe partitions) and 170 applications makes it the largest PCI/DSS certified scope in France and one of the largest in Europe.

At the end of 2023, all the components had been delivered, bringing the PCI DSS environment to 450 servers, 1,100 technical components and 200 applications.

This dedicated environment is only accessible with very restrictive means of access. The applications and systems are subject to draconian rules on the review of code, review of machine configurations, review of accesses, etc.

The next stages will be:

- to add the remaining acquisition applications to this environment;
- to continue to standardize the processes and working methods of the PCI/DSS Service Monetico Paiement scope with the PCI/DSS Acquiring and Central Acceptance scope (acquisition);
- to keep the environments compliant over time in order to renew the PCI/DSS certifications each year.

The PCI 3DS certification for 3D/Secure processing, which is performed by Euro-Information on behalf of the group's banks and customers, acquired in April 2021, is maintained.

The actions undertaken in the field of information security are led and coordinated by the information systems security manager:

- raising awareness on security among the group's IT staff and users of information systems operated by Euro-Information (e-learning, best practice sheets, etc.);
- security governance;
- a centralized operational security control tower;
- specialized and specific teams for the security of servers, data transport networks, and for the disaster recovery plan;
- existence of a Red Team whose main missions are to identify potential security breaches, to test the means of detection and response to attacks, and to bring the vision of ethical hackers to the development teams;
- conducting penetration tests and source code reviews by external companies based on an annual plan;
- creation of an information security control team responsible for ensuring normative and regulatory compliance;
- PCI/DSS certification of our merchant payment platform (Monetico Paiement) and our centralized acquisition and acceptance platform;
- PCI 3DS certification;
- PCI PIN certification;
- ISO 27001 certification;
- periodic reviews, 43 overall, mainly based on Annex A of ISO 27001, the description and the results of which are recorded in an internal control portal.

In 2023 Euro-Information continued to focus on the following areas in particular:

- supplier analyses;
- management of obsolescence;
- the review of the risk methodology, with a transition to the EBIOS RM method, and a reconciliation with the operational risk functions;
- improvements to existing systems;
- the launch of new projects;
  - the performance of intrusive tests, whose statistics to date are:
    - 21 infrastructure tests including the DeMilitarized Zone (DMZ): zone containing servers accessible from the Internet,
    - 239 mobile applications,
    - 163 web applications,
  - in addition, the SOC:
    - scanned 223 websites,
    - scanned 198,108 devices,
    - ensured the monitoring of 22,726 technical vulnerabilities.

Fake email phishing campaigns are also conducted, resulting in a trend improvement on the percentage of clicks to fake phishing emails, and an increase in reports, following the introduction of a report button in Outlook.

Other actions carried out in 2023 included:

- GDPR compliance is one of our 86 development standards and existing activities mainly concern compliance maintenance;
- participation in the crisis exercise organized on June 20, 2023, by the Banque de France to prepare for a large-scale cyberattack;
- continuation of the DORA compliance project. As part of its digital finance strategy, the European Commission presented a draft regulation aimed at strengthening digital operational resilience in the financial sector. DORA (Digital Operational Resilience Act) targets a wide range of players within the financial sector, *i.e.* credit institutions, investment firms, payment institutions, electronic money institutions, digital asset service providers, asset management companies, insurance and reinsurance companies, etc.

The multiplication and diversity of hacking attacks, and their growing media coverage, illustrate the importance of monitoring and understanding the cyber threat. For the year 2023, five notable threats to the group's business sectors were identified:

- malspam is the most frequently observed type of attack this year. Its aim is to provide initial access to other threats (*e.g.* ransomware) *via* e-mails containing malware. Throughout the year, several thousand emails were processed by the teams, partly on the basis of user reports *via* the suspicious message button;
- customers are the target of infostealers, who steal logins and passwords for all their essential accounts (bank, tax, etc.). This threat has grown significantly in 2023. Cybercriminal forums are monitored to recover compromised online banking accounts and credit card numbers in order to launch blocking actions in conjunction with fraud departments;
- ransomware is the most widely publicized threat: it involves blocking an entire computer system in order to extract a ransom. It can be accompanied by data theft for publication on the attackers' website. The group's strategy consists of preventing initial access to the information system (by combating malspam, for example) and ensuring secure data backups through the work of Euro Information's Systems & Networks teams;
- all these threats also target partners and suppliers through supply chain attacks. The risk lies in being compromised by rebound *via* a link of trust. Tracking cybercriminal groups and their demands is essential to know which companies have been compromised, and to take action if necessary;
- next come DDoS attacks, which are fairly trivial to execute, making a service unavailable by overloading it with requests. This phenomenon has been accentuated by the geopolitical context, which can encourage hacktivists to launch attacks against various infrastructures. Euro-Information's Network Systems teams have set up a range of security equipment designed to absorb malicious traffic so that the attack has no impact on the service provided.

Despite this high level of threat, no significant incidents were observed.

TIER-IV certification of new machine rooms

The Lille datacenter expansion project was aimed at implementing Tier-IV (Uptime Institute) security, the highest level of security for a datacenter with an availability rate of 99.995%, corresponding to an average annual downtime of 0.4 hours.

Three certifications should be noted:

- Tier-IV Design in 2019 for the new rooms;
- Tier-IV Facility in August 2021, the first datacenter in France to obtain this certification. It consists of an audit of the facilities by expert Uptime consultants and a real-life simulation of a hundred or so test cases (breakdowns, bad handling, various incidents, etc.) for which the datacenter must remain operational;
- a study for Tier-IV Operation Sustainability (TCOS) certification was launched in 2020. This is the 3rd and final possible certification for a datacenter. A Steering Committee has been set up and the project appraisal is underway. The proposals of the maintainers, who are stakeholders in this project and for which they must ensure the operational implementation, are being studied jointly by CCS and Euro-Information. The first offers received are being adjusted by these companies following a number of clarifications made by Uptime regarding its recommendations.

Tier-IV Design certification was also obtained in January 2022 for the St Apollinaire and Fauverney sites.

Prevention measure of the scenario "At the level of the internal functioning of the group's entities: the absence of a policy to reduce the consumption of resources (water and paper linked to a tertiary activity)"

Several measures are implemented to deal with this scenario.

Follow-up on the group's paper policy

World Wildlife Fund (WWF) regularly establishes a barometer to assess the paper policy of large companies established in France, in order to encourage them to improve their environmental performance. The group examined the PAP50 Banking and Insurance scope. As part of this study, several data were analyzed:

- paper consumption;
- the environmental responsibility of paper;
- sorting and selective collection of used paper;
- commitments to improve the policy.

The last study was in 2014. Crédit Mutuel, CIC and Cofidis were considered separately and were therefore poorly ranked in the final report. Accordingly, Crédit Mutuel Alliance Fédérale voluntarily participated in the 2020 survey in order to ascertain the actual situation on these issues. In 2020, Crédit Mutuel Alliance Fédérale and its subsidiaries occupied the fourth place in the final ranking and first bank of the ranking. The score out of 100 increased from 22 to 79. The year 2021 has allowed, on the basis of the recommendations made by Riposte verte, to discuss with the various actors concerned to continue to improve the 2020 score. The actions are being implemented gradually and should make it possible to at least maintain this score. The goal is to reach or exceed the same score for the next survey. This subject has been taken up in connection with the implementation of the AGEC law on paper (see specific AGEC paragraph).

Reduction of paper consumption

The use of electronic signatures continued to grow in 2023 with more than 28.9 million signatures. This is due to the gradual increase in the scope of products/documents eligible for electronic signature. The subscription and modification of "card" contracts in ICARS [1] by electronic signature at the branch, has been piloted since October 2023 at a few counters. Remote electronic signature (*via* the ADB) of these ICARS "card" contracts is scheduled for early 2024. Electronic signatures have also been in place in EPSA [2] since mid-September 2023, and in INDIGO [3] for protected adults represented by a natural person since June 2023. Other applications already offering electronic signatures will expand their scope, notably IDCE, which will enable electronic signatures for business loans with guarantees/surety deeds by the end of 2024.

The stock of documents in EDM continued to grow, rising from 7.5 billion at the end of 2022 to 8.5 billion at the end of 2023. EURO TVS, a digitization subsidiary, processed 353 million documents in 2023 compared to 338 million in 2022. The image compression and EDM project initiated by Cofidis in 2021 is about to enter its qualification phase. All of the group's entities have validated the activation of compression by default for documents larger than 250kb before they are put into EDM, which allows for significant storage savings without altering the quality of the images and is totally in line with a CSR approach.

For the volumes produced in the workshops, nearly 541 million pages were printed during the year, a decrease of 3.58% compared to 2022. Just over 167.4 million pieces of mail were produced, a decrease of 3.97%. With a view to rationalizing resources, this activity has now been grouped together at the Lille and Strasbourg centers since 2021. At the end of 2023, the level of paper documents for internal use within the group continued to decline, from 0.25% to 0.08% of total production. This was due to a 69.17% drop in print publishing volume.

El-Epithète certification

El-Epithète offers electronic invoice management for companies and professionals.

At the same time as applying to the Direction Générale des Finances Publiques (DGFIP) to act as the French government's Dematerialization Platform Partner (PDP), the company launched a CSR certification process with Hosmony and AFNOR.

In July 2023, El-Epithète was awarded the CSR Committed Label by Hosmony and AFNOR:

- confirmed level for AFNOR 26000; and
- excellence level for Hosmony.

The SMR approach launched by El-Epithète and the Euro-Information teams aims to be in line with the general orientations of Crédit Mutuel Alliance Fédérale (Benefit corporation - SMR approach) by adding a focus on the SMR dimension of the PDP and Hub Business Solutions and ActivFSE software offers.

Unbleached recycled paper

The willingness to use unbleached recycled paper is part of Crédit Mutuel Alliance Fédérale's CSR policy. A new type of paper integrating technical and functional constraints and in line with the cost approach has been in the catalog since 2018.

The decision on whether or not to use it is currently left for the companies to assess. This represents 110,740 reams (out of 424,615), or around 277 metric tons of paper in 2023, compared with 272 metric tons in 2022. The volume of this type of paper therefore continues to grow, reaching a proportion of 26% in 2023.

Printing on MFPs (multi-function printers for printing, photocopying, scanning, fax, etc.) through virtual mailboxes

A project is underway to streamline printing resources and replace local printers in each office with shared network printers. This solution is operational for all types of printing (office, intranet, 3270, etc.).

The shared use of MFP copiers and printers is possible thanks to the Watchdoc solution which makes it possible to block the output of documents from the printer as long as the user has not authenticated himself in front of the machine. The project has several objectives: environmental by reducing paper consumption, business by encouraging the use of electronic signatures and financial by optimizing printing costs.

The centralization and security of printing is part of the group's SMR projects and the cost reduction policy. This project, which aims in particular to practically eliminate individual printers from workstations and to promote electronic signatures, will ultimately lead to a significant reduction in paper consumption.

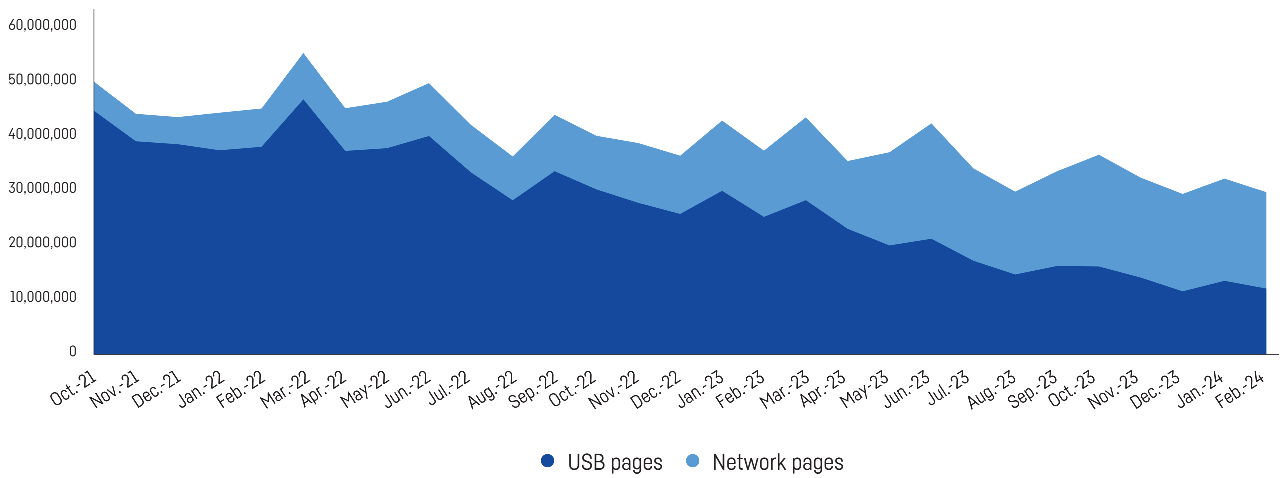
At the end of 2023, the project had been rolled out to 73% of the total number of branches concerned (3,100 out of 4,255 branches).

Secure centralized printing is also part of the implementation of new organizations, both in the network (new types of branches, renovation work, Crédit Mutuel Nord Europe equipment rationalization projects, etc.) and in the head offices (optimization of the printer fleet, move to new premises, etc.). Euro-Information sites have also implemented the solution to remove local printers in favor of MFPs on the floors. A project will therefore have to be carried out to deploy this solution in all existing head offices. This pooling project is also beginning to show convincing results in terms of printing volume (excluding reception and secure technical enclosures). The number of prints fell from 44 million to 29 million between December 2021 and December 2023, a decrease of around 34%.

(1) Application for underwriting and modifying payment card contracts.

(2) Employee savings application.

(3) Intranet application for underwriting products (packages, savings, account-related consumer credit such as overdrafts, etc.).



Local bank and service bulk management

Since the first stage of the Reduction of bulk local bank and services project, delivered in February 2021, 25% of the 4.4 million documents identified in 2019/2020 are no longer printed or are digitized. The second stage of the project, launched in November 2021 and which will be completed with the end of the *ensemble#nouveaumonde* (together#today's world) strategic plan, focused on the 20% of documents that account for 80% of mail shots.

The production start-ups carried out in 2022 and 2023 represented a further reduction in volume of 1.5 million documents instead of the 3 million previously identified over 12 months. The teams concerned will continue to be monitored, as some of the documents identified in the top 10 of the 20 most mail-generating documents have not yet been processed. 900,000 green cards were sent in bulk to the networks in 2023. From April 2024, French citizens will no longer be required to have a paper green card, which will reduce the number of bulk mail shots.

The campaign to inform customers with a Sustainable Development and Solidarity passbook account about the possibility of making a direct donation has been further developed, to reduce the number of mail shots. 3,299,370 customers were contacted. Mail now accounts for just 11% of the total, compared with 14% last year. But it's above all the use of Digital Visual Interface (DVI) that has exploded (from 1% to 61%), reducing the mail portion (from 72% to 21%).

Implementation of the AGEC law

The Anti-Waste for a Circular Economy law (AGEC), has a direct impact on Crédit Mutuel Alliance Fédérale, which will eventually be affected by several EPR channels [1]:

- graphic paper sector with a deadline of March 9, 2023;
- electrical and electronic equipment sector;
- textile sector;
- toy sector;
- vehicle sector;
- building sectors.

Crédit Mutuel Alliance Fédérale has opted for a collective system for the graphic paper sector, which is why it is a member of the eco-organization CITEO and pays it an eco-contribution for waste management. In 2023, the priority was to apply the AGEC law to the graphic paper sector through two actions:

- obtaining a unique identifier to be affixed to the general conditions of sale or any other contractual document;
- affixing the TRIMAN logo on all documents intended for customers/members if it was not present and the associated INFO-TRI instructions.

At the end of the first half of 2023, all editions passing through the local (ICOU) or central publishing chain were automatically stamped with the TRIMAN cartridge. In addition, 80% of local editions managed by Dynamic Fusion were up to date. Work continues to monitor updates for the remaining 20% of documents. Checkbooks and customer slips also feature the TRIMAN stamp.

A guide to the AGEC law has been created and distributed to all the group's documentation sites. It is regularly updated with additional information on the subject.

In October 2023, the group risk department launched a new project to draw up and implement a prevention and eco-design plan (dedicated to the graphic paper sector), with the aim of reducing the use of non-renewable resources, increasing the use of recycled materials and improving product recyclability, then selecting the actions to be adopted and determining the methods for monitoring their implementation.

Relations with the La Poste group

La Poste is an important partner of Crédit Mutuel Alliance Fédérale and mainly of Euro-Information. As a company heavily involved in the ecological transition, La Poste, in conjunction with the mail delivered, offset 3,581 metric tons of CO2 equivalent in 2019 to achieve carbon neutrality. This neutrality is certified by an organization and a carbon neutrality certificate was granted in 2020 and 2021.

(1) An EPR (Extended Producer Responsibility) channel is a product category to which the EPR principle applies.

Since then, a project for the implementation of a new industrial mail management offer (premium industrial mail) has been studied. It was deployed in 2023, and will be extended to registered mail in 2024. This new solution allows better monitoring of mail but especially allows reductions in carbon emissions, waste and consumables:

- fewer trips for trucks thanks to the optimization of filling;
- less undistributed mail transported thanks to address diagnostics;
- simplification of deposit rules;
- less ink used for postage;
- less paper used: digital acknowledgment, fewer envelope references, etc.

On the other hand, as part of the implementation of the new mail range (NGC 2023), the drastic increase in the fast rate (+96%) on January 1, 2023 is expected to lead to an additional cost of around €10 million for the group. A working group has been set up to verify the appropriateness of its use with the migration to the slow rate otherwise. A justification for maintaining the fast rate was requested. The documents that remain in fast delivery are identified. They are either sent by slow mail or digitized. At the end of 2023, the volume of fast mail had fallen by 61%. Premium industrial mail was rolled out in 2023. This offer will be extended to registered mail in 2024.

Actions carried out in addition to the scenarios of the various social, governance and societal components managed by the group

Deployment of benefit corporation objectives

Euro-Information actively participates in the implementation of the objectives set by Crédit Mutuel Alliance Fédérale as part of the benefit corporation.

Euro-Information has worked on mission 5: “As a responsible company, we actively work for a fairer and more sustainable society” whose commitments are:

- commitment 14: ensure the real estate loan of our loyal customers without any medical formalities;
- commitment 15: commit to customers in financial difficulty with an account at €1 net per month without any incident fees.

The Euro-Information Développement insurance sector was mobilized to implement the abandonment of medical formalities in the context of borrower insurance. Since July 1, 2022, this system coexists with the Lemoine law and is based on criteria defined by the group, including customer loyalty.

On the life insurance front, 2023 saw the launch of the new sustainable managed services offer. This sustainable managed services offer, available in three exposure profiles, has been underwritten on just over 4,500 life insurance contracts, with total assets under management of €57 million.

Commitment 15 was implemented during 2022. The price was applied retroactively to the entire inventory and applied to new sales. This currently concerns 51,673 beneficiaries. At the same time, application developments have been made to facilitate promotion to member, in particular by systematically offering the A share to a customer who is not equipped.

Respectful of everyone’s privacy, the group is committed to putting technology and innovation at the service of people. This is in line with commitments 7 and 8 of mission 3:

- commitment 7: guarantee the privacy of our customers’ data in processing 99.9% of their information in our infrastructures and systems located in France;
- commitment 8: invest productivity gains from artificial intelligence in employment and development.

Concerning commitment 7, please refer to the paragraph on safety. A private cloud entirely designed and operated in-house has been set up within Euro-Information’s datacenters. This cloud is already home to more than a hundred applications in production, and a project involving some 250,000 man-days is underway to transform and migrate all application assets to this highly secure in-house cloud.

For commitment No. 8, a total of 2.3 million hours have been freed up for the networks over 2022, using technology (cognitive, OCR, digitization, electronic signature, etc.). These hours saved compared with the situation in 2016 did not give rise to staff cuts, but rather were allocated to developing customer relations.

The group also introduced free executive liability coverage for all chairmen of associations. This is commitment 10 of mission 4 “As a solidarity-based company, we contribute to regional development”:

- commitment 10: offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.

In addition, as part of its commitment as a benefit corporation and to using the societal dividend, Crédit Mutuel Alliance Fédérale and CIC support local associations by reimbursing their contributions to the Eurocompte Association Tranquillité/Contrat Professionnel Association package. Since October 2023, the tools have been used to reimburse new holders and also to notify existing customers. At December 31, 2023, total repayments amounted to €1,290,127, for a total number of 183,843 contracts.

Accessibility of applications

The first three-year cycle, specific to French regulations on digital accessibility, ended in 2023. The 21 group entities affected have published three regulatory documents showing the accessibility rate obtained from an external audit, and 135 sites and applications have begun the process of compliance. This makes it easier for all users to perceive, understand, navigate and interact with the group's digital media. The next three-year "audit-rectification" cycles will help raise the level of accessibility of sites and applications, until a target rate of 60% per site is reached.

At the same time, cross-functional bricks are now accessible. The development of tools, regular benchmarking of the competition, a wide range of hardware and software solutions, technology watch, level 2 software support, and the provision of tutorials for getting to grips with assistive software, are all elements that have been delivered to promote a second milestone: accessibility by design.

Active participation in the installation of workstations for newly-hired employees with disabilities or already in post, and personalized responses to customers reporting non-compliance, were two challenges that have already been met. Increasingly extensive documentation, project presentations, regular internal communication and content-rich assignments meet the challenges of inclusion.

In October 2022, a dedicated online banking strategy was launched. It pays particular attention to the Crédit Mutuel, CIC, CIC Private Banking and Banque Européenne du Crédit Mutuel (BECM) customer area websites. Its objective is to achieve an accessibility score of 70% per site, thanks to 1-year "audit-rectification" cycles on reduced samples of regulatory pages. Over and above the regulatory aspect, this strategy is designed to strengthen the group's competitive positioning and image. The iOS and Android mobile applications of Crédit Mutuel, CIC and CIC Private Banking will integrate this strategy in 2024, once the SPID (*Système de Production d'Interfaces Dynamiques* - DUI production system) components have been made compliant.

As part of the group's commitment to inclusion, the scope of Euro-Information applications to be made accessible must be expanded, without disrupting team workloads. Instilling accessibility by design through training and e-learning modules enables EID teams to gradually build up their skills. The aim is to perpetuate investment in initial compliance. To this end, an extended scope of 28 Top Digital Internet applications (the most frequently used applications) has been set up, to be implemented over 4 years, from 10/2023 to 10/2027. This extended strategy is based on one-year "audit-rectification" cycles until an 80% accessibility rate per page is achieved.

The Top Transverse Intranet aims to make 9 universally-used intranet applications accessible. The approach is structured around digital accessibility audits, followed by correction phases. As with the extended internet scope, the aim is to achieve a rate of 80% per page through one-year "audit-rectification" cycles.

The Top Inclusion Intranet, which currently comprises 13 applications, enables disabled employees to be involved in the development of their day-to-day applications, on a voluntary basis. Following an initial conclusive experiment conducted since 2021, the pool of testers was expanded in 2023 with three new volunteer RQTH (*Reconnaissance de la Qualité de Travailleur Handicapé* - Recognized as a Disabled Worker) employees. The employee, invited to take part in the testing, is asked to identify any regressions in terms of accessibility on his or her usual path. Correcting non-conformities ensures stability and greater efficiency for disabled employees on a day-to-day basis. Changes are no longer perceived as disruptions, but as work facilitators. The Top Inclusion Intranet, and the pool of testers, can be added to as and when RQTH employees are recruited by a given profession.

AGORA – Collaborative platform of members of Crédit Mutuel Alliance Fédérale

AGORA is:

- a collaborative and exchange platform for Crédit Mutuel Alliance Fédérale members, aimed at federating them around shared areas of interest, through events, themes and local, regional and national communities. Each Member can interact, participate, “like” and comment on events and communities;
- a social network accessible to employees of the banks, to employees who have a link with the AGORA and to all individual members and associations using remote banking;
- a tool for communication, commitment and renewal of membership, respectful of users' choices.

This tool is evolving thanks to feedback from employees and member customers and recently new functionalities have been added, such as:

- carousel-style photo publications;
- an icon for direct smartphone access;
- view counters;
- direct automatic access to the member's local bank community;
- a news feed that automatically brings up information of interest to members.

To date, there are over 407,000 Agora users, evolving in more than 3,500 communities, and 6,000 events since inception.

Green project (Monabanq and Beobank): carbon analysis of expenses

Since 2021, Monabanq has been offering its customers a quarterly newsletter, including carbon footprint analysis of the expenses incurred.

However, this newsletter could only inform a limited number of customers. Green project made it possible to offer all customers who had activated budget management an automated service for estimating the carbon footprint of their spending, by combining it with a category-based analysis module. A questionnaire detailing consumption habits is available to customers, enabling them to improve the relevance of the estimate. The service was deployed in June 2022, on both Web media and mobile application.

The activation statistics at the end of 2023 are as follows:

- number of Green activations: 10,015;
- number of Green deactivations: 826;
- number of Green questionnaires completed: 6,637;
- number of budget management users: 100,510;
- activation percentage: 10%.

For the future, the development of a documentation and/or recommendations space is in the pipeline in order to enable customers to better understand their carbon footprint and to act accordingly. This tool can be set up on each of the applications and websites of the group’s entities which so request.

Beobank was the second bank to offer the service, which was rolled out in October 2023. The activation statistics at the end of 2023 are as follows:

- number of Green activations: 3,200;
- number of Green deactivations: 97;
- number of Green questionnaires completed: 881;
- number of budget management users: 165,241;
- activation percentage: 2%.

PAULA project

The PAULA project involves pooling ATMs between the BNP Paribas, Société Générale, Crédit Mutuel and CIC banks in mainland France and Monaco. This will make it possible to increase the number of service points for all customers of the project's partner banks and to maintain the quality of service even in areas where activity is reduced. For the group's customers, 56% of additional sites will be accessible at the end of the project. This project will also have an environmental impact as it will reduce the need for more equipment and reduce energy consumption. In addition, the automation of cash recycling through the massification of deposits will generate less loading of ATMs and therefore less transport of funds. Over and above the cash component, the PAULA project provides 2SF with the pooling of check acquisition and check processing centers (CTCs). However, banks retain their own CTCs for final and interbank processing. At the beginning of 2024, there were 8 ATMs operational with the new solution for customer use.

Inclusion of workers with disabilities

Euro-Information applies the group agreement, which celebrated its second anniversary at the end of 2023 (reimbursement of prevention and well-being contracts, request for study grants, workstation adaptation, remote working, etc.). At the same time, a company agreement was signed for EI, EIP and EID on February 28, 2023.

In addition to two disability referents, a disability project manager has been supporting Euro-Information in the development of a disability policy since last July. Individual meetings are organized with the declared employees (100 to date) and information meetings on the mechanisms with the family caregivers. Five new employees with disabilities have joined the workforce since January 2023.

The partnership with Execo was renewed. This partnership offers an employee helpline specializing in disability-related issues.

Euro-Information continues to welcome service providers from adapted companies: one person in Paris for Innov&Co and one person in Villeneuve d'Ascq for Compéthance.

Last June, Euro-Information took part in the Talent Handicap forum specializing in IT professions, and in the DuoDay operation in November 2023 with 17 duos of disabled people and volunteer employees. The aim was to perfect or discover a possible career path.

Quality of Life at Work (QLW) scope

In an effort to improve its carbon footprint, the group is seeking to optimize employee commuting. The *7è sens* (7th sense) platform was rolled out to the whole of Crédit Mutuel Alliance Fédérale in June. It allows all employees to declare their journeys to work or to training courses, to specify the available places in their car or conversely their need for a place on a journey. The employee is alerted when a requested journey is available. Since the launch of the platform in June 2022, up to December 31, 2023, 2,696 employees have registered. In 2023, 896 journeys were made, resulting in 304,271 km not driven, *i.e.* a carbon equivalent of 38.6 tCO2.

Euro-Information also takes part in the group's discussions to promote and manage new modes of transport and roll out remote working. New possibilities have been offered for remote working with several adaptations, particularly in terms of capacity of use. This capacity was stepped up significantly in the context of the pandemic and makes it possible to ensure the redundancy of the equipment concerned. The group agreement on QWL and remote working of January 8, 2021 has generated the need to deploy standard configurations for remote working, designed and validated to facilitate the installation of equipment in the employee's personal home. One or two screens are currently provided as needed as well as the communication kit (webcam, headsets or speaker phones depending on the business scope) and a basic kit (keyboard and mouse). A larger 27-inch screen, to improve visual comfort for space-starved employees, was qualified in Q1 2022. This is currently in place at Euro-information. Since 2022, a universal docking station has enabled employees to easily connect both at the office and at home for remote working.

Remote working has also highlighted printing issues for the staff of the local banks and branches. Projects have been launched to harmonize processes (printing, electronic signature, generation of PDF documents) and make it possible to eliminate the need for physical printers. This resulted in an important update at the beginning of 2021 to enable the generation of a PDF in all cases. The integration of the electronic signature into the various business line applications is continuing.

Sustainable mobility package premium

Euro-Information deployed the first version of the application used to manage the sustainable mobility premium, part of the group's QWL agreement. This premium is in place in the Euro-Information scope. The second group amendment relating to QWL and remote working has increased the mobility package from €400 to €700 for the years 2022 and 2023, and personal electric scooters are now included in the scope of possibilities.

In September 2023, a survey was carried out among the group's employees to find out more about their travel habits (mode of transport, distance). Thanks to a 78% return rate and a large number of verbatims, the results of this survey will make it possible to define the changes to be implemented to further improve the rate of soft mobility.

Implementation of the Nutri-Score in a company restaurant

The Lyon site, in partnership with Elior, which runs the inter-company restaurant, has begun to include the Nutri-Score on the restaurant's menus. Elior is the first company restaurant operator in France to deploy this indicator on its menus and therefore allows this inter-company restaurant (ICR) to be the first inter-group restaurant to implement this system.

The Nutri-Score was developed by independent international research teams composed of scientists, doctors and nutritionists, to make nutritional information easier to decipher. To classify each product, the Nutri-Score takes into account, for 100 grams of product, the content:

- in healthy nutrients and foods: fiber, protein, fruits and vegetables, pulses;
- in unhealthy nutrients: calories, saturated fat, sugars, salt.

After calculation, the score obtained by a product makes it possible to assign it a letter and a color:

- from the healthiest product, ranked A;
- to the least healthy product, ranked E.

To take into account the specificities of certain food families, such as added fats (butter, oil), cheeses and drinks, the score calculation method has been adapted. The menu of the week is distributed with its indication and each food in the restaurant displays it.

A new Nutri-Score was introduced in March 2023, and Elior is studying the impact of implementing this new version in 2024.

Indicators

To monitor the group's actions, a review has been carried out since 2019 to define relevant indicators. Concerning the security approach of the Information System, four angles are considered:

- **Availability angle**: the Euro-Information system is reliable and the QMS (ISO 9001) letter determines a target of 100% operation, seven days a week and 24 hours a day. The primary applications are monitored with a target of more than 99%. Availability was very high throughout the year, with an annual average of 99.82%.

RATE OF AVAILABILITY OF PRIMARY TP APPLICATIONS

Granularity	2023-01	2023-02	2023-03	2023-04	2023-05	2023-06	2023-07	2023-08	2023-09	2023-10	2023-11	2023-12
Global	99.81%	99.48%	99.81%	99.93%	99.75%	99.91%	99.94%	99.78%	99.96%	99.91%	99.70%	99.90%

Euro-Information has achieved very high levels of availability. The annual average is equivalent to that of 2022 (-0.06%). The change in this indicator since the start of its monitoring in 2019 has remained stable overall, with an increase of +0.28% (2019 value: 99.54%).

- **Claims angle**: processing by Euro-Information must be reliable and the malfunctions must be the least impacting possible. All IT incidents are monitored, including claims with a financial impact of more than €1,000 for the Crédit Mutuel group. The Euro-Information claim ratio was 331 in 2021, 324 in 2022 and 543 in 2023. The number of claims rose sharply (+68%), as did the total number of claims (+106%), due in particular to several national events involving damage to ATMs. The number of claims impacting banking activities was 48 in 2023.
- **Security angle**: the Euro-Information system is constantly subjected to attacks to test its strength. Incidents resulting from these attacks must be kept to a minimum, with the lowest possible impact. Ten categories of security incidents have been defined based on the standards of the European Network and Information Security Agency (ENISA) with, for example:
- **Intrusion** (exploitation of vulnerabilities, compromised accounts or applications). The purpose of this category is to classify all security incidents involving the detection of an intrusion on systems or premises. This concerns, for example:
  - the discovery of a new account not known by the administrators of a machine;
  - the exploitation of vulnerabilities;
  - operations detected but not explained (no follow-up of internal reporting/traceability process).
- **Breach of availability** (DDoS, theft, sabotage, etc.). The purpose of this category is to classify all security incidents that concern the breach of the logical or physical availability of one of the systems. This concerns, for example:
  - the theft of a portable computer;
  - a distributed denial of service (DDoS) attack on our networks;
  - the sabotage of a room or a system.

In 2021, no intrusion attempts and 261 impaired availability-type attacks were identified. In 2022, two intrusion attempts and 168 impaired availability-type attacks were identified. In 2023, there was only one intrusion attempt and 244 impaired availability-type attacks. These two security indicators confirm the necessity of being equipped to counter DDoS-type attacks and the robustness of the surveillance and defense system.

3.10 CSR POLICY OF THE PRESS DIVISION

3.10.1 Quantitative data

Indicator code	Indicator description	Unit of expression	2023
ENV01P	Newsprint	Metric tons	32,999
ENV02P	of which labeled paper	Metric tons	23,319
ENV03P	Aluminum plates	Metric tons	248
ENV04P	Newspaper ink and prints	Metric tons	476
ENV05P	Packaging	Metric tons	300
ENV06P	Waste – reel start and end	Metric tons	1,173
ENV07P	Waste – fall of white paper from rotating machines	Metric tons	856
ENV08P	Waste – print returns	Metric tons	3,547
ENV09P	Waste – inserts	Metric tons	573
ENV04	Water consumption	Cubic meter	66,853
ENV05	Total energy consumption	Kilo Watt Hour	31,246,124
ENV05_01	Steam water in urban networks	Kilo Watt Hour	737,380
ENV05_02	Chilled water in urban networks	Kilo Watt Hour	103,677
ENV06	Electrical energy consumption	Kilo Watt Hour	22,476,555
ENV07	Gas energy consumption	Kilo Watt Hour	7,635,919
ENV08	Fuel energy consumption	Kilo Watt Hour	286,428
ENV30	Fugitive emissions of frigorific gases	Kilograms	245
ENV09	Total paper consumption	Metric tons	127
ENV10	Total consumption of paper for internal use	Metric tons	75
ENV11	Total paper consumption for external use	Metric tons	53
ENV15	Recycled used paper as output (waste)	Metric tons	19
ENV15L	Total labeled paper purchased	Metric tons	89
ENV15R	Total recycled paper purchased	Metric tons	4
ENV15RP	Recycled newspaper	Metric tons	30,349
ENV13	Consumption of toner cartridges	Whole number	1,909
ENV16	Used toner cartridges recycled after use	Whole number	916
ENV18	Business travel – air	Kilometers	197,690
ENV19	Business travel – train	Kilometers	2,881,984
ENV23	Business travel – employee vehicle	Kilometers	3,426,178
ENV25	Business travel – taxi & car rental	Kilometers	67,653
ENV20	Motor fleet of the entity – number of km all vehicles	Kilometers	18,936,739
ENV29P	Transport – transalliance	Metric tons	33,602
ENV30P	Transport – La Poste	Metric tons	1,754
ENV31	Number of videoconferencing equipment	Whole number	7
ENV32	Number of videoconferences	Whole number	377
ENV33	Total duration of videoconferences	Centesimal hours	522
ENV34	Documents digitized (paper avoided)	Metric tons	56
GOUV01	Total number of members of the Board of Directors of the structure (in the sense of capitalistic company)	Whole number	55
GOUV02	Number of women on the Board of Directors of the structure (in the sense of capitalistic company)	Whole number	15
GOUV09_02	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged < 40 years	Whole number	3
GOUV09_03	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged 40-49 years	Whole number	2
GOUV09_04	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged 50-59 years	Whole number	24
GOUV09_05	Subsidiaries: number of directors from the Board of Directors or Supervisory Board aged ≥ 60 years	Whole number	26

Indicator code	Indicator description	Unit of expression	2023
SOC01	Total workforce in FTE	Full-Time Equivalent	3,613
SOC01_BIS	PPH workforce on the payroll	Natural Persons	5,350
SOC01_F201	Female managers with open-ended contracts in France	Natural Persons	935
SOC01_F202	Female non-managers with open-ended contracts in France	Natural Persons	1,378
SOC01_F203	Female managers with fixed-term contracts in France	Natural Persons	43
SOC01_F204	Female non-managers with fixed-term contracts in France	Natural Persons	182
SOC01_H211	Male managers with open-ended contracts in France	Natural Persons	1,215
SOC01_H212	Male non-managers with open-ended contracts in France	Natural Persons	1,383
SOC01_H213	Male managers with fixed-term contracts in France	Natural Persons	65
SOC01_H214	Male non-managers with fixed-term contracts in France	Natural Persons	149
SOC02	Total workforce France (Open-ended + Fixed-term contracts) – Natural Persons	Natural Persons	5,350
SOC04	Total workforce with fixed-term + open-ended contracts – managers	Natural Persons	2,258
SOC05	Total workforce with fixed-term + open-ended contracts – non-managers	Natural Persons	3,092
SOC07	PPH Workforce – Women	Natural Persons	2,538
SOC08	Workforce – open-ended contract	Natural Persons	4,911
SOC08_NCADRE	Workforce – open-ended contract – non-managers	Whole number	2,761
SOC08BIS	Workforce – open-ended contract – women	Whole number	2,313
SOC09	Workforce – fixed-term contract	Natural Persons	439
SOC12	% open-ended contract employees	Percentage rate	91.8%
SOC13	Total hires	Natural Persons	1,993
SOC14	Men hired	Natural Persons	1,094
SOC15	Women hired	Natural Persons	899
SOC16	Hires with open-ended contracts	Natural Persons	501
SOC17	Hires with fixed-term employment contracts	Natural Persons	1,492
SOC19	Number of employees with open-ended contracts that quit the organization	Natural Persons	769
SOC20	Number of employees with open-ended contracts that quit the organization on dismissals	Natural Persons	136
SOC29	Number of full-time employees with open-ended or fixed-term contracts (including full-time parental leave)	Natural Persons	3,150
SOC30	Number of part-time employees with open-ended or fixed-term contracts and managers with reduced day package	Natural Persons	2,200
SOC38	Total number of days of absence	Working days	85,039
SOC39	Number of days of absence due to illness	Working days	79,036
SOC40	Number of days of absence due to workplace accidents	Working days	6,003
SOC46	Payroll invested in training (payroll expense for training in euros)	Euros	2,797,080
SOC47	% of payroll expense invested in training	Percentage rate	1.6%
SOC48	Number of employees who have had at least one training session	Whole number	1,800
SOC49	% of trained employees	Percentage rate	33.6%
SOC50	Total number of hours allocated to employee training	Centesimal hours	29,591
SOC52	Number of work-study trainings	Whole number	121
SOC53	Number of work-study trainings with professionalization contract	Whole number	50
SOC54	Number of work-study trainings with apprenticeship contract	Whole number	71
SOC59	Number of women among managerial staff	Whole number	978
SOC60	% of women among managerial staff	Percentage rate	43.3%
SOC61	Number of managers promoted in the year to a higher level of function	Natural Persons	311
SOC62	Number of women among managerial promotions	Whole number	149
SOC63	% of women among managerial promotions	Percentage rate	47.9%
SOC68	Number of disabled workers in the total workforce	Whole number	182.00
SOC71	% of disabled workers in the total workforce	Percentage rate	3.4%
SOC73	Gross payroll excluding employers' contributions (in €)	Euros	173,429,380
SOC74	Average annual compensation of employees with open-ended contracts – all statuses	Euros	1,201,284

Indicator code	Indicator description	Unit of expression	2023
SOC75	Average annual compensation of employees with open-ended contracts – non-managers – all statuses	Euros	844,697
SOC76	Average annual compensation of employees with open-ended contracts – managers – all statuses	Euros	1,412,036
SOC81	Total amount of bonus (profit-sharing and shareholding) (in € – excluding employer contributions)	Euros	182,095
SOC82	Number of employees having received a profit-sharing and shareholding bonus	Whole number	546
SOC88	Workforce < 25 years old	Natural Persons	299
SOC89	Women < 25 years old	Natural Persons	166
SOC90	Workforce 25-29 years old	Natural Persons	382
SOC91	Women 25-29 years old	Natural Persons	176
SOC92	Workforce 30-34 years old	Natural Persons	324
SOC93	Women 30-34 years old	Natural Persons	153
SOC94	Workforce 35-39 years old	Natural Persons	381
SOC95	Women 35-39 years old	Natural Persons	192
SOC96	Workforce 40-44 years old	Natural Persons	505
SOC97	Women 40-44 years old	Natural Persons	237
SOC98	Workforce 45-49 years old	Natural Persons	540
SOC99	Women 45-49 years old	Natural Persons	262
SOC100	Workforce 50-54 years old	Natural Persons	860
SOC101	Women 50-54 years old	Natural Persons	403
SOC102	Workforce 55-59 years old	Natural Persons	908
SOC103	Women 55-59 years old	Natural Persons	430
SOC104	Workforce 60 years old and older	Natural Persons	1,151
SOC105	Women 60 years old and older	Natural Persons	632
SOC107	Total gross annual compensation ***(in €)*** of employees with open-ended contracts	Euros	162,599,193
SOC108	Total gross annual compensation ***(in €)*** of non-managerial employees with open-ended contracts	Euros	44,988,307
SOC109	Total gross annual compensation ***(in €)*** of managerial employees with open-ended contracts	Euros	117,610,886

3.10.2 Specific report of the press division

EBRA is the leading French regional press group with a circulation of more than 800,000 copies per day for 3.3 million print readers and a significant digital audience for all titles: 17.5 million pages viewed per day, and 16.5 million unique monthly visitors.

EBRA employs more than 1,400 journalists and owns nine regional dailies: *Le Dauphiné Libéré, Le Progrès, Le Bien Public, Le Journal de Saône-et-Loire, Le Républicain Lorrain, L'Est Républicain, Vosges Matin, Les Dernières Nouvelles d'Alsace* and *L'Alsace*.

The nine titles have a strong local presence and cover a total of 23 departments across the entire eastern seaboard of France. The EBRA group is present with its various brands in print and digital as well as an events offering with its subsidiary EBRA Events and video expertise *via* its subsidiaries EBRA Studios and EBRA Productions.

In 2022, the EBRA group acquired the Humanoid group, publisher of the iconic *Frandroid*, *Numerama* and *Madmoizelle* media, and owner of the Humanoid xp creative agency, with the aim of enriching its audiences and expertise.

As part of the commitments and missions pursued by Crédit Mutuel Alliance Fédérale, the EBRA group companies are continually seeking to improve by implementing new rules and procedures, particularly regarding social, ethics and environmental responsibility aspects.

Labels and certifications

Following the award of the first star of the Positive Company CSR label in 2021, the EBRA group has adopted a proactive CSR policy and deployed an action plan with the aim of progressing in its approach. This progress was recognized by the award of the label's second star in 2023, making it the first press group to receive the two-star Positive Company label.

The EBRA group was also awarded a silver Ecovadis rating in 2023 for its commitment to society, its employees and the environment.

At a time when the perception of the media is deteriorating and journalistic content is coming up against direct competition from the multiplication of content on platforms, "Reporters Sans Frontières" (Reporters without Borders) has set up the Journalism Trust Initiative (JTI) benchmark to restore public confidence and provide a visible reference for all citizens to detect reliable information. 130 international experts have developed this initiative, which rewards ethical and professional journalistic practices. Recommended by the European Commission, JTI is recognized in 70 countries. The EBRA group is the third French media outlet to be certified after France Médias Monde and France Télévisions. It is also the first French press group to be certified.

Restructuring operations

As part of its transformation process and in light of new societal and economic challenges, the EBRA group wanted to thoroughly rework its brand strategy and give itself a *raison d'être* in order to redefine and share the role it intends to play in society today and tomorrow.

At the same time, the EBRA group has defined a specific positioning for each title beyond its regional or local vocation. Naturally, this positioning is linked to the company's *raison d'être* and is aimed directly at readers.

To achieve this, the newspapers produce content or services that reflect their specific characteristics, but also form part of a common base that must above all serve the local community and address local issues.

EBRA has also completely overhauled its graphic identity, with a new logo in line with the group's positioning, and modernized its title brands.

Realization of a group carbon footprint

The EBRA group wishes to perform its carbon audit annually, going beyond its legal obligations. For 2023, EBRA renewed its carbon audit with its partner SAMI®.

A genuine business management and CSR action management tool, the carbon audit enables the EBRA group to identify carbon-emitting items and activate levers to reduce its industrial and human impact, and thus move towards its goal of decarbonization by 2050.

The 2022 audit was positive: the emissions reduction trajectory of 5% per year has been exceeded, with the group reducing its carbon footprint by more than 11% in year 1.

Of note:

- freight and purchasing continue to generate the most CO_2, accounting for almost 50% of carbon emissions;
- input emissions (purchases) are 19% lower than in 2021;
- emissions reductions linked to end-of-life paper management are the most significant, at -24% compared with 2021.

To continue this dynamic of progress, the EBRA group, its managers, partners and employees have stepped up their actions, notably with the Positive Company CSR certification, carbon coaching with SAMI and the DK carbon calculator.

Environmental responsibility

Convinced that companies can have a positive impact on the preservation of biodiversity, the EBRA group included awareness-raising and protection actions in its CSR roadmap for 2023:

- Act4nature: the EBRA group takes part in this initiative launched by the *Association Française des Entreprises pour l'Environnement* (French Association of Companies for the Environment), which aims to mobilize companies to limit their direct and individual impact on biodiversity. Through its newspapers and subsidiaries, EBRA is committed to Act4nature with its supplement Ici On Agit! (We Act Here!)
- Oiseaux de Bonheur (Birds of Happiness): this editorial and events program aims to highlight, in local editions, the players and volunteers who take action on a daily basis to protect natural environments, and in particular birds. This is a crucial issue, illustrating the need for a collective awareness of the importance of preserving nature.
- Des abeilles sur les toits (Rooftop beehives): Alsatian newspaper *Les Dernières Nouvelles d'Alsace* (DNA) has installed beehives on the roof of its premises in central Strasbourg. This operation aims to raise awareness among residents and reintroduce bees, essential pollinators, into urban environments.

Concerned about reducing their environmental impact, the EBRA group's printing plants have continued their actions by:

- adapting machines and consumables to no longer use plastic packaging for newspaper mail shots;
- continuing their research on inks and other chemical products in order to use products that are more respectful for people and the environment. For example, one of the group's printing plants, supported by CITEO and an ink producer, has been testing new solutions based on vegetable inks;
- reducing pagination and adapting the format of the newspapers;
- developing their waste management policy and promoting the circular economy by entering into a partnership with the Perlen paper mill. This ensures local recycling of waste paper directly into newsprint, thus promoting a short circuit;
- reducing paper waste during calibration, gluing and publication switching.

Finally, because of their commitment to more sustainable forest management, the newspapers printed in the group's four printing centers have obtained and renewed their PEFC certification, allowing them to continue using the Imprim'vert label.

The group continues to roll out its energy sobriety plan focused on reducing heating by limiting the temperature in offices to 19°C, switching off illuminated signs in head offices and branches, and implementing the group's travel policy. In addition, a guide for employees on eco-friendly practices has been distributed.

To raise employee awareness of the impact of waste and the importance of taking action, all EBRA group sites got involved and took part in World Cleanup Day 2023. The event brought together more than 50 employees with a common goal. Between Strasbourg, Lyon and Woippy, almost 300kg of waste, including glass, packaging and cigarette butts, were collected, sorted and deposited at the waste collection center.

Finally, the reduction of the carbon and digital footprint was promoted by the renewal, in 2023, of the responsible digital operation "Clean up your PC!", which aims to delete files and emails that have become useless or obsolete.

Socially responsible commitments

The EBRA group also pursued its socially responsible approach on the theme of "Living together" by rolling out the first edition of the "Spring Quality of Life at Work" event.

A number of workshops and awareness-raising courses were offered to support employees in different areas, in a variety of formats: dramatized conferences, face-to-face or distance learning courses, individual consultations etc.

In 2023, the CSR department and EBRA academy launched the "Become a Climate Fresker" training course. A dozen volunteer employees from the group's four divisions were trained to roll out the workshop across the group. The aim is to raise awareness and take concrete action in-house.

By signing the group's "Living Together" agreement, EBRA is committed to contributing to the well-being and fulfillment of every employee and manager, by developing working and employment conditions that foster commitment, communication and motivation.

The group also takes care to ensure a balance between personal and professional life, by setting up a concerted and flexible remote working framework and paying particular attention to the rules governing disconnection. In addition, to promote parenthood, the group has extended the duration of maternity and paternity leave.

Finally, EBRA is expanding its non-financial indicators by including monitoring indicators on the evolution of the transition to digital and the editorial contribution to the ecological transition.

Business and ethics

In order to take into consideration environmental, social, ethical and societal issues, the EBRA group wishes to promote and maintain long-term and balanced relationships with partners recognized as responsible or committed to similar concerns.

This is why the EBRA group has implemented a charter to establish a framework of mutual trust: the purchasing and sustainable supplier relations charter. This document describes all the commitments to be respected when a supplier or service provider wishes to enter into a relationship with one of the EBRA group companies.

The charter accompanies the various contracts and/or purchase orders that will be proposed to the partners for signature. It is a communication and awareness tool on the group's new *raison d'être* and concerns. The document will also allow the partner to access, if necessary and in full confidentiality, the group's alert system.

The document addresses various issues such as respect for human rights, labor law, equal opportunities, protection of personal data, the fight against corruption, confidentiality of information exchanged, as well as environmental values and approaches: limiting greenhouse gas emissions, responsible waste management.

3.11 VIGILANCE PLAN

3.11.1 Introduction

The law No. 2017-399 of March 27, 2017, pertaining to the responsibility of parent companies and initiating companies is the law known as "duty of vigilance". This law obliges large companies to establish and implement a vigilance plan, intended to prevent serious harm to human rights and the environment as part of their activities and those of subcontractors or suppliers with which they have a lasting business relationship. This obligation, which applies to companies, including subsidiaries, employing at least 5,000 employees in France or at least 10,000 employees in France and abroad, concerns in particular Crédit Mutuel Alliance Fédérale and the entities which comprise it.

The vigilance plan is submitted to the Control and Compliance Committee and Auditing and Accounting Committee, the latter representing Crédit Mutuel Alliance Fédérale's supervisory body. It may be subject to modifications as the group makes progress in the matter and incorporates the particularities of certain professions.

The vigilance plan and its implementation are made public through the Non-Financial Performance Statement (NFPS), which can be consulted on the dedicated website [1].

3.11.2 Presentation of the vigilance plan

3.11.2.1 Definition of the vigilance plan

"The plan contains reasonable vigilance measures adequate to identify risks and prevent serious harm to human rights and the fundamental freedoms, health and safety of persons as well as the environment, resulting from the company's activities and those of the companies it controls within the meaning of II of Article L.233-16, directly or indirectly, as well as the activities of subcontractors or suppliers with which there is an established commercial relationship, when these activities are related to this relationship." (See Article 1 of law No. 2017-399).

The vigilance plan is fully integrated into the SMR approach implemented by Crédit Mutuel Alliance Fédérale in recent years. This approach was strengthened in 2020 by the adoption of a *raison d'être*, *Ensemble, écouter et agir* (Listening and acting together), supplemented by the benefit corporation status of Caisse Fédérale de Crédit Mutuel and CIC.

3.11.2.2 Scope of the vigilance plan

The vigilance plan makes it possible to identify risks and prevent serious harm in the following areas:

1/ Human rights and fundamental freedoms

There are several categories:

- **inherent human rights**: meaning equality, freedom, property, safety and freedom from oppression;
- **rights that are aspects or consequences of the preceding**:
  - from the principle of equality, for example, ensues universal suffrage, gender equality, and also equality before the law, employment, taxes, justice, access to culture,
  - the principle of freedom elicits the existence of the individual freedom, of opinion, of expression, of assembly, of worship, of the right to unionize and to strike,

(1) *https://www.bfcm.creditmutuel.fr/fr/investisseurs/information-financiere-reglementee.html*

- the right of property implies the freedom to dispose of personal property and entrepreneurial freedom,
- the right to safety justifies the preclusion of arbitrariness, the presumption of innocence, respect for the rights of defense, the protection of individual freedom by justice;

- **social rights, meaning services that are the responsibility of the collectivity**: we can cite the right to work, protection of health, free public education;
- **rights related to the environment,** which affirm the right of everyone to live in a balanced environment that's respectful of health and which enshrine the notion of sustainable development and the precautionary principle.

The vigilance plan covers infringements on human rights and fundamental freedoms generated by the activities of Crédit Mutuel Alliance Fédérale or its partners, suppliers and intermediaries, on their stakeholders within the context of established commercial relationships.

2/ Health and safety of individuals

a) Definitions

The WHO defines health as "the complete state of physical, mental and social well-being, which does not only consist of the absence of illness or infirmity".

Safety designates all of the provisions intended to ensure the protection of persons and property in a manner such that the situation in which one finds his or herself has an acceptable level of risk.

b) Examples of risks to safety and health at work

Physical activity (working on a screen, lumbago, etc.), noise, occupational cancers, chemical risks (asbestos, etc.), travel, psycho-social risks (aggression, external violence, occupational exhaustion or burn out, harassment and internal violence, stress, suicide), etc.

c) The vigilance plan covers infringements of health and safety inside and outside the company

- internally, the employer should ensure safety and protect the health of employees. The employer should take the necessary preventive measures against occupational risks and inform and train employees about these risks. The employer should also respect certain rules in the layout and utilization of the work premises;
- externally, the employer should also ensure that the company's activities like those of its suppliers do not have negative repercussions on the health and safety of the supplier's employees, customers or any other persons.

3/ The environment

Risks related to the environment are industrial or technological risks generated by the group or partners, which have an impact on the environment: water, air, sites and soils, noise, etc. Risks related to financing and investment activities are also included, the goal being to reduce as much as possible the environmental consequences resulting from these activities. They concern:

- the vitality of the ecosystem (protection of the ecosystem, resource management, pollution);
- management of water, agricultural, fishing and forest resources, but also climate change and biodiversity and the air;
- environmental health: impact of the environment on human health.

3.11.2.3 People concerned by the vigilance plan

All those people likely to be affected by a risk or an infringement of a social or environmental nature are those who are involved in the context of the company's activities or in the context of a commercial relationship, particularly with suppliers and subcontractors. This includes managers, employees, temporary workers, staff (seconded or not), suppliers, subcontractors, customers and all other persons involved. These people can be at the origin of the violation of social or environmental rights, they can also be active or passive accomplices or even victims. Put simply, it is necessary to distinguish:

- the risks generated by the entity/subsidiary on employees;
- the risks generated by the entity/subsidiary on customers *via* the activity, financing granted, investments made, products and services offered;
- the risks generated by the entity/subsidiary on its partners (suppliers and subcontractors, intermediaries. etc.) and third parties;
- the risks generated by partners (suppliers, intermediaries, etc.) with which the entity/subsidiary has an established commercial relationship, when activities are related to this relationship, on their employees and third parties.

3.11.3 Measures of the vigilance plan

In accordance with the law, it includes the following five principal measures:

- a mapping of risks intended to identify, analyze and prioritize them;
- regular assessment procedures of the situation of subsidiaries, subcontractors or suppliers with which there is an established commercial relationship, in terms of the mapping of risks;
- appropriate measures to mitigate or prevent serious harm;
- a whistleblowing system and procedure for reporting the existence or occurrence of risks;
- a mechanism to monitor any measures put in place and to assess their effectiveness.

3.11.3.1 Mapping of social and environmental risks

The mapping of risks covers the areas evoked above based on an awareness of employees' work situation, relationships with customers and partners, activities exercised by the company and those of subcontractors and suppliers.

The objectives sought consist of:

1/ Identifying the risks

This means identifying all the dangers to which employees (of the company or suppliers), customers or third parties may be exposed.

2/ Analyzing the risks

The risk incurred for each situation identified as dangerous is to be defined and evaluated based on:

- the nature of the danger;
- the means of prevention already existing (technical, organizational, human).

3/ Classifying the risks

The classification of risks is designed to:

- determine the priorities of the action plan based on the potential seriousness and probability of occurrence;
- implement preventive measures.

For each area (human rights, fundamental freedoms, health and safety of people, environment), work has been done to identify the primary risks. These risks were the subject of analysis (on the basis of expert opinion) leading to a two-part assessment based on the concepts of gross risk and then that of residual risk (or net risk). Gross risk[1] considers the probability of the risk's occurrence and its frequency as well as the impact that the particular case may have on the entity's activities and services it provides to customers.

Scoring is established based on the five following levels:

Gross risk rating	1	2	3	4	5
Degree of risk	Very substantial	Substantial	Average	Low	Very low

For each case, residual risk is then valued according to the extent to which there is coverage for the observed risk based on the existence and relevance of preventive or mitigation measures in place. Its scoring is established based on the five following levels of risk:

Residual risk rating	1	2	3	4	5
Degree of risk coverage	**Inadequate coverage:** risk not covered and remedial measures need to be quickly implemented	**Insufficient coverage:** risk partially covered with significant points for improvement identified	**Average coverage:** risk covered but with one or more points for improvement identified.	**Satisfactory coverage:** risk covered by a suitable mechanism (organization, procedures, controls, etc.)	**Very satisfactory coverage:** risk covered by a controlled mechanism

On this basis, Crédit Mutuel Alliance Fédérale has identified the following primary potential risks:

- concerning human rights and fundamental freedoms: discrimination, undermining equality, breach of a person's right to respect for their private and family life; the right to strike, the right to freedom of assembly and of association as well as on the freedom of expression;
- concerning the health and safety of individuals: health risks, non-respect for legal working conditions, infringement on the safety of workers and inequality of access to the right to health, harassment;
- concerning the environment, the risk of pollution: undermining the fight against global warming, biodiversity and the management or waste.

The mapping is likely to evolve as progress is accomplished in each area.

(1) Gross risk is defined without taking into account the control environment.

3.11.3.2 Assessment procedures concerning the status of suppliers and subcontractors

Regular assessment of the status of subcontractors and suppliers, particularly external, with which there is a commercial relationship is conducted with the help of various operational procedures within Crédit Mutuel Alliance Fédérale.

1/ Bidding process procedures

Most purchases are made by the internal business line centers. Certain business lines have defined procedures for the bidding process in view of the importance of negotiations. At Euro-Information, suppliers have been classified into categories, the main ones being "essential suppliers" and/or "sensitive suppliers" (economic or strategic importance for Euro-Information or for its customers). For the bidding process and in regular fashion, purchasing teams ask these suppliers to provide documents that can attest to their CSR procedures (or to provide the link to the document on the Internet) in order to know the content. This operation is applied in the purchasing process of equipment/software, but also in the context of buying immaterial computer services from DSC (Digital Services Companies) suppliers. Euro-Information conducts a regular review of it. The assessment of suppliers is also done through policies established by the group (sectoral policies, purchasing policy and charter with suppliers, critical or essential outsourced services, etc. see below). For example, Euro-Information includes the supplier charter in its bidding process procedures.

2/ Collection of documentation and information on external suppliers

Numerous elements that make it possible to check on the identity of the supplier, its repute and the quality of service provided are collected as part of the group's procedures.

Information collected on suppliers and service providers are the following:

- with regard to combating undeclared labor (Article L.8222-5 of the French Labor Code), vigilance obligations required of all suppliers with revenues in excess of €5,000 include a Kbis extract (certificate of incorporation), an URSSAF (French social security contributions collections agency) declaration, an URSSAF authentication, the list of foreign workers (LNTE) and a certificate of vigilance;
- other documents requested by certain business line centers depending on their activity: E&O insurance, proof of ten-year liability insurance, license for domestic transport, CNAPS [1] approval for private security companies, professional licenses of security agents, etc.;
- INSEE (French National Institute of Statistics and Economic Studies) files and legal information that can be consulted using the BILI application (companies, associations, sole traders);
- for accredited suppliers in the CONTRAT application: contracts, maintenance records, operational elements, etc.;
- the supplier charter which is signed by every new entry in relation with internal business line centers;
- the regulatory data from the supplier (legal structure, address, SIRET number, NAF code, legal category, etc.) are reported in the application – PIEFOU – a management tool for supplier invoices;
- when the supplier is also a customer, elements related to the fight against money laundering and the financing of terrorism (AML/CFT) are requested of the supplier or service provider.

3/ Selection of intermediaries and collection of information

- For retail banking, the PRESC application for IOBSPs (intermediaries in banking operation and payment services) makes it possible to identify the following documents: ORIAS (France's official register of insurance, banking, and finance intermediaries) registration, civil liability insurance, financial security, mandate, etc.
- In addition, each retail bank or specialized business line, establishes a referencing procedure for IOBSPs, which allows for the formalizing of the collection of required information and the implementation of certain controls.
- For Capital Markets, a policy is implemented for the selection of financial institutions, brokers or other intermediaries to which customer orders are entrusted for execution on French or foreign markets. The chosen entities must dispose of procedures and mechanisms to execute orders that correspond to the objectives set in the group's execution policy (available on the Internet), particularly to certain criteria (rules of good conduct, terms and conditions of transmission and execution, security of processing). The selection of intermediaries may be modified depending on the evaluation grid and controls carried out.
- In addition, each retail bank or entity concerned (management companies in particular) is responsible for the approval of the financial instrument brokers they deal with and for monitoring their relationship with them. In this regard, the entity:
  - formalizes a procedure for initiating a new relationship, including, in particular, combating money laundering;
  - establishes and keeps current a formal list of authorized brokers who are authorized to work with it;
  - established an evaluation grid of brokers, which allows for regular assessment based on qualitative criteria.

4/ Outsourcing of critical or material services

In general, Crédit Mutuel Alliance Fédérale makes very little use of outsourcing, in all areas, including IT. In this respect, Crédit Mutuel Alliance Fédérale's strategy is, wherever possible, to retain core and/or strategic activities within the group, in order to keep key resources in-house.

Outsourcing outside the group is limited to specific processes, including a service provider selection process and a risk analysis, requiring particular expertise or meeting the specific needs of particular entities.

When Crédit Mutuel Alliance Fédérale resorts to outsourcing, it can control its costs while maintaining the expected level of quality and security (both from a user and a regulatory point of view), be responsive to market changes and remain flexible in the face of business line demands and needs. Furthermore, Crédit Mutuel Alliance Fédérale's outsourcing approach complies with universal principles in terms of human rights, labor standards, the environment and the fight against corruption. In addition, as part of the "Social and Mutual Responsibility" approach, those involved in the process take care to comply with the provisions applicable to corporate social responsibility.

(1) National Council on Private Security Activities (Conseil national des activités privées de sécurité).

Crédit Mutuel Alliance Fédérale's central functions (permanent control department, compliance department and risk department) are responsible for the procedural and control framework relating to outsourcing. It is based on an outsourcing policy which establishes the framework for the system, including governance, steering and strategy, and an operating procedure, supplemented by nine appendices detailing the process and the roles of the various stakeholders. These documents are updated periodically. Crédit Mutuel Alliance Fédérale's outsourcing process, in accordance with regulatory requirements (Art. 239 of the decree of November 3, 2014), is part of a formalized policy for controlling service providers (procedure, control, reporting). Each entity setting up a subcontracting system must draw up a written contract with the service provider.

In the case of critical or important services, the entity must ensure that the contractual commitment defines, in particular through specific clauses and annexes, the terms of application: the levels of quality, security and performance of the services expected, regular reporting on the activity and financial situation of the service provider, the existence of back-up mechanisms, and the reversibility plan in the event of interruption of the service.

The regulatory requirements relating to the protection of entrusted information and access for the supervision of the ECB/ACPR or the AMF to information related to outsourcing must also be included. More generally, the contract must comply with the laws and regulations applicable to the entity.

Each entity must ensure that the supplier charter (CSR/SMR requirements) is signed for each essential outsourced activity.

3.11.3.3 Actions to mitigate and prevent risks

A set of measures aimed at reducing and preventing these risks is implemented vis-à-vis customers, suppliers and employees. These measures are presented below.

1/ In customer relations

a) Relationships based on ethics and the code of conduct

Rules of proper conduct exist to prevent risks to which customers could be subject. They are defined by internal rules that apply to all Crédit Mutuel Alliance Fédérale entities and to which are appended the security charter, the rules of professional conduct and the charter on preventing and combating harassment and violence in the workplace. This mechanism is supplemented by the code of conduct which is a public document.

b) Protection of personal data

Knowing customers and the relationship they have with the bank requires gathering, using and storing a certain amount of information about them. The collection, use and processing of this data are protected and also covered by professional secrecy:

- Crédit Mutuel Alliance Fédérale entities concerned comply with the principle of relevance and proportionality of the data collected regarding the purpose of data processing, in order to comply with legal provisions;
- customer information is handled in a clear and instructional manner, particularly concerning:
  - the identity of the person responsible for processing,
  - the purpose of data processing, avoiding unduly generic wording,
  - the obligatory or optional nature of answers and the consequences of failure to reply,
  - the recipients of this information,
  - the right of access, to object and to correct.

Information on the protection of personal data is disseminated to customers who use remote banking as well as account opening agreements.

On April 27, 2016, the European Parliament and the Council adopted the regulation on the protection of natural persons with regard to the processing of personal data and the free movement of such data. This regulation, which was enforceable beginning from May 25, 2018, strengthens protection of personal data.

Crédit Mutuel Alliance Fédérale has adapted its tools and guidelines to incorporate the regulatory changes stemming from the GDPR [1]. These adjustments concern the following points:

- creation of a register of data processing activities;
- realization of an impact analysis for data processing likely to present an elevated risk to the rights and freedoms of private individuals;
- implementation of internal mechanisms and procedures that show respect for rules pertaining to data protection;
- establishment of a data protection officer;
- application of the principle of protection of personal data in the design of the processing operation;
- the rights of individuals.

In addition, Crédit Mutuel Alliance Fédérale has adopted a security charter concerning personal data management, which is published on its website. In 2022, 63% of Crédit Mutuel Alliance Fédérale employees completed an e-learning course on the GDPR and the CNIL.

c) IT security management system

Considering the processing of sensitive banking data and the numerous offers of services proposed, Euro-Information (the IT subsidiary of Crédit Mutuel Alliance Fédérale) pays very special attention to all aspects of the IT system. It is updated each year to adapt to new risks and strengthen security. All means are implemented to secure the community system. Thus, based on the ISO 27001:2013 standard, an Information Security Management System (ISMS) is deployed on all of the production sites. This standard provides a framework for implementing, maintaining and improving an Information Security Management System over time.

(1) General Data Protection Regulation.

The ISMS takes into account the external context, the internal context, and the needs and expectations of stakeholders. Its challenges are:

- to bring tangible improvements to the Information System by:
  - putting in place an operational governance of security,
  - adopting a risk approach to manage security,
  - defining security rules,
  - ensuring the application of these rules;
- to continuously improve the security of the Information System by:
  - measuring the security levels achieved,
  - performing a security watch, taking into account new threats and developments in the IS,
  - reducing the impact and frequency of security incidents.

Euro-Information's certification was renewed in 2020 as part of a first combined ISO 9001 (Quality Management System) – ISO 27001 (Information Security Management System) audit. This certification (No. 2017/77568.10) thus validates the Information Security Management System implemented on the IT production centers. In 2023, certification was obtained by including ISO 27001 version 27001: 2017 in the scope of certification. In addition, a new ISO 27001 certificate was obtained in 2023, specifically for digital invoice digitization services (e-invoicing).

The basic principles remain the following:

- availability: provide a reliable system with permanent accessibility;
- confidentiality: secure access, processing and data;
- integrity: guarantee reliability of data;

To which the following have been added:

- traceability of information;
- identification/authentication of people accessing the information.

In 2020 and in 2021, the pandemic resulted in an increased number of cyber attacks. Security has been strengthened, both through actions to raise employee awareness on current risks, technical detection and protection measures, as well as organizational measures within the security teams. A Red Team whose main missions are to identify potential security breaches, to test the means of detection and response to attacks, and to bring the vision of "ethical hackers" to the development teams.

Various monitoring indicators have been implemented, such as:

- the rate of availability of primary TP [1] applications which was close to 100% in both 2022 and 2020 (SOT102);
- the number of IT claims costing more than €1,000. The latter amounted to 331 claims in 2023 (324 in 2022).

Employees are also informed of and educated on security, the most common frauds and the ethics rules applicable especially when using IT tools and email. An Infos Sécurité (security information) tab on the homepage of the Intranet provides information on the security of bank transactions, people and property, IT security, "Fraud" alerts, warnings, etc. A newsletter on security was also published by Euro-Information for all the group's employees *via* the intranet.

d) Customer protection in the design of new products and services

Crédit Mutuel Alliance Fédérale's entities have specific procedures to examine the compliance of new products or major transformations to existing products, including a written opinion from the head of compliance or a designated representative, as well as for any system which is intended to advise or assist customers. New products can be examined by Crédit Mutuel Alliance Fédérale's New Products Committee or delegated to the entity concerned after informing the compliance department.

The opinion of Crédit Mutuel Alliance Fédérale's New Products Committee must be sought for a new product that is to be marketed in the network or by several entities. When marketing is restricted to a single business line, the business line's assessment is communicated to Crédit Mutuel Alliance Fédérale's New Products Committee for information. The committee may, if it sees fit, issue its own recommendations. Crédit Mutuel Alliance Fédérale's New Products Committee validates the business line's control processes beforehand.

e) Fragile or vulnerable customers

Crédit Mutuel Alliance Fédérale has structured its banking inclusiveness system to ensure that the relevant legislation and related commitments are properly implemented:

- by adopting a commitment policy for fragile or vulnerable customers: it describes the ongoing actions together with those within Crédit Mutuel Alliance Fédérale since the end of 2017 to promote banking inclusion, to protect fragile and financially vulnerable customers (especially protected adults) and to highlight how they are assisted in response to the requirements of the public authorities (Observatory of banking inclusion – Banque de France – ACPR);
- by setting up a dedicated central governance body, the Fragile or Vulnerable Customer Committee, to ensure that the legislative obligations and best practices to protect fragile or vulnerable customers and to promote banking inclusion are properly implemented.

As in previous years, under the aegis of the Fragile or Vulnerable Customer Committee, the implementation of the recommendations of the OIB – Banque de France, the expectations of the public authorities and the recommendations of the ACPR resulting from the due diligence performed in 2019, 2020, 2021 and 2022 concerning vulnerable customers and the cap on bank fees continued.

The developments with the greatest impact in 2023 are described below:

- predictive detection was refined and is now based on a statistical model interfaced with the debtor management application (SDBI) to encourage the network to support the customers concerned; the performance of the predictive model score is monitored on a quarterly basis to identify any changes that would require the algorithm to be reworked;
- proven detection was extended: the regulatory time limits for detecting customers registered in the Banque de France's FCC files were reduced to 2 months in accordance with the ACPR's requests;
- spontaneous detection is open regardless of any objective criterion of financial vulnerability;

(1) TP: Transaction Processing – major applications used by the banking network .

- the exclusion of customer files detected on the basis of bank criteria was controlled: the COMPLY application interface records successive detections to raise awareness among network employees, and thus contributes to better traceability of exclusions;
- a network of vulnerable and fragile customer referents was set up to meet the expectations of the joint ACPR-AMF unit: the referent, who is the main contact for the branches, helps to disseminate and implement good practices with regard to vulnerable and fragile customers (in particular, isolated vulnerable seniors, protected third parties), particularly concerning the marketing of financial savings. The referent also ensures that commercial and equipment proposals are in line with the needs of the customers concerned. This network has met twice since its creation (including a dedicated training seminar in March 2023).

  Action is also being taken to continually enhance the attractiveness of the Fragile Customer Offer (marketed at a price of 1 euro since August 1, 2022).

In 2023, as in previous years, Crédit Mutuel Alliance Fédérale entities concerned produced regulatory reports which included quantitative and qualitative data on fragile and vulnerable customers devoted to the ACPR (as part of the questionnaire on business practices and customer protection) and to the Banking Inclusion Observatory.

f) Accessibility of banking services

In the context of regulations on the accessibility of establishments open to the public (ERPs) to persons with disabilities, a public accessibility register (RPA) exists in all branches in order to inform the public about the level of accessibility of the location as well as provisions made to allow all persons, especially those with disabilities, to benefit from branch services. In addition, Crédit Mutuel Alliance Fédérale has nearly 5,900 ATMs installed in all the regions where it operates, of which 97.6% are accessible to the visually impaired. Account statements in Braille are available.

Crédit Mutuel Alliance Fédérale has been committed for several years to an accessibility approach to make its sites and applications accessible to everyone, including seniors or people with disabilities or functional limitations, on any type of medium (computer, smartphone, tablet, etc.). Thus, a remote interpretation service in sign language is available to hearing-impaired customers. Operators assist customers for free, by chat or by videoconference link with the services they need. Customers can use this assistance from the mobile app during discussions in the branch. Moreover, deaf or hearing-impaired customers who have taken out a telephone subscription with Crédit Mutuel Alliance can now take advantage of one free hour per month of translation, in accordance with regulations.

Simultaneously, regular technology watch is conducted on technical devices and raising awareness about accessibility was incorporated into internal training courses taken by the teams in charge of IT development. Certain employees are now experts on accessibility. They help with projects at all stages, audit sites or applications upon request and process customer feedback. The level of accessibility of the créditmutuelalliancefederale.fr website is indicated on the home page. In another area, Crédit Mutuel Alliance Fédérale respects the generic terms of primary banking fees and services defined in the Order of March 27, 2014, which aims at simplifying consumer access to fee-related information.

g) Processing of customer claims

Crédit Mutuel Alliance Fédérale offers its customers a three-level complaint processing system for filing a claim.

In the event of dissatisfaction, the customers are invited to contact:

- their advisor or the manager of their bank/branch (level 1) in order to find the solution best suited to their situation;
- the customer relationship department (level 2) if they are not satisfied with the answer provided at level 1;
- the mediator (level 3), only after all internal remedies have been investigated by the bank and provided that the dispute falls within its remit.

The means proposed for filing a complaint through levels 1 and 2 have been diversified since 2019: online form accessible after authentication *via* the online banking service, complete online form for non-holders of an online banking contract, email, mail, face-to-face and single telephone number dedicated to complaints.

Comprehensive information on claims specifying the contacts persons, the means and possible remedies is provided to customers through:

- the claims page of the Crédit Mutuel and CIC websites;
- claim information leaflets available at branches.

The group has chosen to use a single tool for recording and managing claims, which enables to monitor them and trace the audit information. Since December 2020, this tool uses the new classification system for claims, making it possible to accurately fill in the new ACPR Banking and Insurance questionnaires. Since January 1, 2023, this tool has taken into account the ACPR Banking and Insurance recommendations on the calculation of regulatory deadlines for written claims and DSP2 [1]. Since January 1, 2024, the tool has incorporated changes linked to the AMF recommendation, with the addition of the AMF Ombudsman to the means of appeal.

Customer satisfaction is a top priority in all circumstances, thereby reflecting Crédit Mutuel Alliance Fédérale's key focus on the continuous improvement of the customer claim process and monitoring. This is why in January 2019 Crédit Mutuel Alliance Fédérale created the "group complaints" department, which reports directly to the Deputy Chief Executive Officer of Crédit Mutuel and the Deputy Chief Executive Officer of CIC, in order to manage claims and coordinate the customer relationship departments of the various entities. In early 2020, this system was strengthened by the creation of Crédit Mutuel Alliance Fédérale customer claims committee. The main mission of this committee is to define the actions to be implemented on the one hand based on a comprehensive qualitative and quantitative analysis of the claims, and on the other hand based on a summary of the areas of improvement identified in the processing of claims.

Lastly, since the end of April 2021, a satisfaction survey is sent to each customer at the end of their claim procedure in order to know what they think about the processing of their claim and how it could be improved.

(1) Payment Services Directive.

h) Mediation process (SOT74 to SOT78)

Consumer mediation, in force since January 1, 2016, resulted in the introduction of a dedicated website, featuring the mediation mechanism and providing customers with online access (at the address: https://www.lemediateur-creditmutuel.com). The mediator's annual report is also available to view. The mediator is registered on the list of mediators; the European Commission is notified by the Assessment and Mediation Control Commission.

In 2017, the group's mediator and the AMF's mediator signed an agreement giving customers the possibility of presenting any claim within the scope of the AMF to either the AMF mediator or the group mediator, with the understanding that the choice is irrevocable.

i) Integration of ESG criteria in the business lines (SOT88)

Sectoral policies

Sectoral policies have been formalized to define the modalities of intervention in the mining, hydrocarbons, mobility, defense and security, civil nuclear energy and agricultural sectors. All of these policies are regularly reviewed to take into account the various commitments made by Crédit Mutuel Alliance Fédérale, notably with a view to aligning its activities on its targets in the fight against global warming.

At least once a year, the account manager completes an ESG questionnaire to obtain a score corresponding to the customer's non-financial (or CSR) performance. The completion of the ESG questionnaire, as well as the above-mentioned sector analysis grids, is the responsibility of account managers prior to presentation of the lending file to the Commitments Committees.

Other policies linked to private banking, consumer credit, purchasing and supplier relations, and the policy of commitment to fragile or vulnerable customers complete this list.

Project financing [1]

CIC has an internal assessment methodology based on the Equator Principles classification scale:

- category A projects – Projects presenting serious potential adverse environmental and social risks, and/or likely to generate mixed, irreversible and unprecedented impacts. These projects are subject to stricter environmental and social due diligence. The objective of the assessment process is to analyze the environmental and social impacts and risks associated with the proposed project, and to propose measures to minimize, mitigate and compensate the risks and adverse impacts in a manner that is relevant and appropriate to the nature and scale of the proposed project;
- category B projects – Projects presenting limited negative social or environmental impacts, less numerous, generally specific to one site, largely reversible and easy to address with mitigation measures;
- category C projects – Projects presenting minimal or no negative social or environmental impacts.

Any new project financing is subject to external due diligence, including a component relating to its environmental impact. The latter is also monitored as part of the annual portfolio review.

Projects are selected on the basis of a set of criteria including social, environmental and mutualist criteria, depending on the business segments and countries selected. Much attention is thus paid to criteria of social utility (for example, the more or less strategic nature of the project for a country, the alignment of the interests of the various stakeholders, the overall economic rationality), local acceptability (for example, known opposition from environmental groups or the local population, noise pollution, impact on the landscape, etc.) and compliance with environmental criteria (compliance with current and foreseeable standards).

In the energy segment, CIC supports its customers in financing the energy transition and is committed to reducing greenhouse gas emissions through its financing choices.

With regard to the fight against corruption, the outflow which takes place after the successful completion of KYC procedures, and upon certification issued by a trusted third party (independent technical expert), is an effective way of keeping expenditure compliance under control. The department's internal strategy is to focus on sectors with which it is familiar and whose collective utility is based on meeting basic needs (supply or production of energy, means of communication, telecommunication, public service concessions).

The department typically funds projects in countries where the political and solvency risks are contained (*i.e.* "designated countries" within the meaning of the Equator Principles). When the department intervenes in the most fragile countries, both politically and in terms of environmental standards, it is in consideration of the project's economic necessity and in participation with banks that have signed the Equator Principles or multilateral bodies. In each of these projects, the social and environmental impacts are not only taken into account when the operation is chosen, but also throughout the life of the project (for example: obligation of monitoring the construction phase and its environmental impact by an independent engineer if the size of the project warrants it, contractual obligation of the borrower to comply with standards and any changes to them throughout the life of the project).

Private Equity and ESG criteria

Crédit Mutuel Equity's social responsibility, which covers all of Private Equity's activities, is an integral part of its investment policy, which was enhanced during the year. As part of the strengthening of this approach, Crédit Mutuel Equity has developed an evaluation method and a roadmap tool to support the ESG transformation of the companies in its portfolio. The result of this ESG analysis is an integral part of the file sent to the Investment Committee and must receive the prior opinion of the Director in charge of ESG missions. The areas for improvement identified and the action plan defined in consultation with the management team are monitored throughout the period of ownership.

To complete this approach, an internal process can be implemented to formalize an opinion based on a need for clarification or the adoption of a prior position due to a sensitive sector of activity, an identified significant ESG issue, or any other problem calling into question the investment opportunity in its ESG dimension.

(1) "Project funding" is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, such as approved by the ACPR in October 2012, are used to set eligibility for deals in CIC Project Financing portfolio.

Responsible and sustainable finance

On March 10, 2020, the European SFDR regulation came into force, requiring asset managers to provide information on the environmental, social and governance risks of their investments, and their impact on society and the planet. The funds are classified in one of the three categories, Articles 6, 8 or 9, depending on the sustainability objective:

- Article 6: transparency article, with the prospectus specifying whether or not the fund includes sustainability risk;
- Article 8: products that promote environmental and social sustainability by integrating sustainability in a binding way;
- Article 9: impact funds that set non-financial objectives (sustainable investment or reduction of carbon emissions).

This regulation aims to provide greater transparency and a comparison grid for the offering of investment funds, in terms of their ESG approach. In this way, investors can more easily identify products and have access to non-financial documentation with minimum standards at European level.

For asset management companies, the implementation of the SFDR regulation is an opportunity to confirm their commitments and strong actions to promote responsible finance.

Responsible investment is being gradually extended to all Crédit Mutuel Asset Management's activities, through an ESG integration system for most funds and an SRI approach for a range of funds specifically designed for customers. Today, it aims for the majority of its open-ended funds to comply with the criteria of Article 8 or Article 9 of the European SFDR regulation.

La Française Group is pursuing its strategic ambition of having a range of funds open to the market that are 100% sustainable. Each division of La Française Group, financial assets or real estate, classifies more than half of its assets in Article 8 or 9 SFDR, *i.e.* in funds that respect sustainability criteria or set environmental or social performance objectives.

BLI – Banque de Luxembourg Investments has strengthened the place of ESG within its investment solutions offering. The classification provided by the SFDR regulation is part of this dynamic and formalizes existing practices. Several funds in the BLI range already meet the requirements of Article 8 or 9 of the SFDR regulations. The aim is to eventually bring most of the range up to these classifications.

2/ In the relationship with subcontractors and suppliers (SOT81)

a) Group purchasing policy

A purchasing policy applies to all purchases by entities of Crédit Mutuel Alliance Fédérale.

The purchasing of goods and/or services is an act of management and is part of the operational implementation of the group's strategy. This policy incorporates economic, quality and respect of technical requirements criteria as well as ESG factors.

All contracts with suppliers and/or service providers include a clause dedicated to respect for provisions in force in terms of labor law. In the context of the charter of supplier relations, suppliers and/or service providers are committed to respecting the reference texts on human rights and labor law.

Other measures supplement this policy and promote responsible behavior by suppliers and/or service providers. Thus, the group favors relationships with suppliers and/or service providers, though equal on the technical and financial services level, which adopt an environmental approach that incorporates ESG criteria and which respect a social policy combating discrimination.

b) Charter on supplier and service provider relations for sustainable procurement

This charter describes all of the commitments, notably in terms of human rights, vigilance (access to the option to report) and the fight against corruption, to be respected by suppliers and service providers contracting with one or more Crédit Mutuel Alliance Fédérale entities including those of CIC. Particular attention is paid to respecting best practices in professional ethics and in particular to strictly respecting principles pertaining to corruption under any form, notably concerning practices in terms of gifts and other benefits.

c) Supplier professions centers

A large part of purchases is done by the group's supplier professions centers, such as CCS, SOFEDIS and Euro-Information.

Incorporation of CSR criteria in the relationship with CCS's general resources department with suppliers is materialized by:

- inclusion of the company's obligations of vigilance and CSR policy in drafting specifications for a bidding process;
- existence of an analysis grid for responses to bid solicitation, which prescribes the weight of responses by companies on environmental and social aspects in the overall rating by type of activity (household, recycling, hospitality);
- incorporating into the program reviews of accounts that monitor and audit social aspects under the French Labor Code (especially in the context of combating undeclared labor);
- inclusion of *ad hoc* paragraphs on CSR aspects in standard contracts;
- annual obligation for all managers in the central services sector having decision-making authority regarding suppliers, to declare gifts of any amount whatsoever.

Managing supplier relations within Euro-Information is one of the ISO 9001 V2015-certified Quality processes monitored and audited by AFNOR. This process also falls within the scope of certification of the ISO 27001 Information Security Management System.

In addition, a Supplier Monitoring Committee ensures:

- the implementation and updating of procedures for entering into relations with suppliers;
- the monitoring thereof;
- the recovery of ratings (contract quality and quality of services) for essential and sensitive suppliers;
- the gathering of financial ratings for essential and sensitive suppliers established in France and expanded to foreign suppliers in 2019;
- the gathering/updating of CSR reports from service providers (the signing of the supplier charter replacing the collection of these documents for other suppliers since 2020);
- the consistency of practices used within other Euro-Information subsidiaries, *i.e.* EIS, EPS, ETVS, EP3C and EIDS, for any specific purchases.

The legal, purchasing, operational risks, periodic control and permanent control teams are represented on the Suppliers Monitoring Committee, with a person from the Euro-Information internal audit department as a regular guest. Euro-Information's management is informed of the Suppliers follow-up Committee. A form is used to rate the quality of the service. Since 2020, it has included escalation criteria and/or action plans to be carried out based on the scores obtained.

As part of the process of identifying services, CSR reputation risk and the risk of CSR non-compliance (in connection with sectoral policies) have also been included in the risk analysis since 2020. Financial and quality ratings are carried out each year. Euro TVS, subsidiary of Euro-Information, dedicated to the digitalization and computer processing of documents and means of payment, also introduced environmental management and is certified ISO 14001.

3/ In the relationship with employees

Relationships based on ethics and the code of conduct

Crédit Mutuel Alliance Fédérale promotes certain values and principles such as solidarity, freedom, responsibility and protection of the environment, and asserts its commitments as well as the rules of good behavior and good conduct resulting from them.

This culture which is common to all employees is implemented across a set of actions involving:

- the fundamental principles in terms of rules of good conduct, which are set out in the internal rules and its three appendices, including the code of ethics;
- the code of conduct, amended on December 5, 2019 and again on December 1, 2022, sets out the rules and principles to be observed by all employees, including CIC employees, in the performance of their duties, and highlights the group's values and commitments:
  - acting as a socially responsible company, for a more united society, committed to the preservation of the environment and combating global warming,
  - fighting against discrimination and promoting gender equality and diversity,
  - listening to customers, advising them, helping them with their projects and difficulties,
  - supporting fragile customers,
  - establishing ethical governance of personal data,
  - fighting against tax fraud and corruption;
- the report on the application of the code of conduct which is intended for branch managers as well as a certain number of heads of Crédit Mutuel Alliance Fédérale's head offices and business lines. Since 2020, its scope has been extended to all Crédit Mutuel Alliance Fédérale entities in France and abroad. The dedicated ETHIK tool was enriched in 2021 with a focus on a different theme each year. For 2023, it concerns conflicts of interest and the duty of transparency;
- Crédit Mutuel Alliance Fédérale's training program complements and enhances the culture of employees in terms of respect for human rights, in particular:
  - the new ethics module, intended for all employees, rolled out since 2022,
  - the "Work well together/fight discrimination" module,
  - the modules on "invisible disability".

Measures implemented

There are multiple procedures and preventive measures depending on the type of risk (infringement of Human Rights, risk to the environment and health and safety risks) that employees may suffer or that they may cause in the context of their activity.

a) Prevention of infringement to employees' rights and measures put in place:

- violence and harassment: internal rules and the charter on preventing and fighting harassment and violence in the group;
- health and safety: CSSCT (Health, Safety and Working Conditions Committee), occupational physician, signing of a framework agreement on quality of life at work in October 2020, etc.;
- group agreement on supporting employees in the use of digital tools and the right to disconnect;
- incivilities: procedure for combating incivilities and INCIV application;
- assaults and hold-ups: "armed robbery" procedure;
- trade union freedoms: the group's agreement on union negotiations, the bank's collective agreement, etc.;
- labor law: labor legislation, the bank's collective agreement, etc.;
- right to notify: "Option to report" procedure;
- protection of personal data: the group's code of conduct, procedures pertaining to CNIL;
- protection of private life: protocols for recordings and phone tapping, protocol for video surveillance, GDPR, etc.;
- corruption and influence peddling: the group's internal anti-corruption mechanism;
- fight against discrimination: charter on the fight against discrimination, the promotion of diversity and the inclusion and retention in employment of workers with disabilities within the group.

b) Prevention of direct environmental impact generated by the activity of employees within the company

As part of its 2019-2023 strategic plan, *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) Crédit Mutuel Alliance Fédérale is committed to reducing its internal carbon footprint in France by 30% [1]. Accordingly, a methodical energy management approach was put in place (ISO 50001 certification issued by AFNOR in 2020 and confirmed in 2021). Based on its activity, the prevention measures essentially address reduction of paper consumption and waste recycling:

- paper waste: digitization of numerous documents (simulation of credit or estimates and subscription to products online, electronic signature, electronic messaging, etc.);

3

(1) Office life scope. Energy, refrigerant gas leaks, business travel and motor fleet items.

- waste management: collection of used printer cartridges procedure, selective sorting mechanism (paper recycling, recovery of used batteries, etc.);
- reduction of digital consumption: The 4th Eco Clean Up Week in 2022 resulted in the deletion of more than 180 million digital files for approximately 22.5 million MB, the equivalent of 427 metric tons of CO_2.

3.11.3.4 Option to report (SOT109)

The "Option to report" is an occupational warning system available to internal, external or occasional staff, which encourages them, in addition to the entity's normal warning methods, to report to their employer any serious failure to respect professional or legal obligations.

Reporting extends to all areas (corruption, fraud, etc.), particularly to human rights and fundamental freedoms, personal health and safety as well as the environment.

In accordance with rules and regulations, this procedure guarantees strict confidentiality of the identity of the originators and of persons targeted by the reporting. The whistleblower runs no risk of sanction when the reporting is done in good faith. In addition, it provides the possibility of recourse to external authorities (AMF, ACPR, etc.) or judicial authorities, or even to the media in the event of an emergency situation. This mechanism is overseen by the compliance department and by the group HR department, which ensure regular reporting.

A dedicated whistleblowing tool was rolled out to Crédit Mutuel Alliance Fédérale's French entities in early 2023 with access to the Euro-Information intranet.

3.11.3.5 Monitoring mechanism

Monitoring actions that have been implemented hinge on all the indicators and on the collection of figures touching on the previously mentioned themes [1].

Assessment of the application of the "ETHIK 2023" code of conduct

The 2023 assessment saw sustained participation of 98.2% of the 3,866 managers involved, with a slight increase (98.1% in 2022). It verified that the rules of good conduct set out in the code of conduct were respected, with ratings ranging from 4.4 to 4.9 on an increasing scale from 0 to 5 and an overall stable average of 4.8 out of 5. It highlighted the relative difficulties of implementation that could be encountered on certain themes such as the ecological transition and the fight against global warming, and identified possible areas for improvement.

The rules discussed in the report are as follows:

- respect for people;
- gender balance and openness;
- ecological transition and the fight against global warming;
- duty of good management;
- duty of confidentiality and data protection;
- duty of reserve;
- duty of training;
- conflicts of interest;
- respect of values and texts.

In addition, a focus makes it possible to develop a theme related to one of these rules. For 2023, it was dedicated to conflicts of interest and duty of transparency.

Monitoring of self-training modules

In addition, in 2023, Crédit Mutuel Alliance Fédérale employees completed 71% of e-learning courses on professional ethics, in which the fight against corruption is mentioned (SOT104). In addition, with regard to the fight against money laundering and the financing of terrorism, 70% of the first-level training courses and 91% of the in-depth training courses were completed by Crédit Mutuel Alliance Fédérale employees.

99% of employees (excluding long-term absentees) enrolled in a training module to prevent discrimination and promote diversity in 2022 and 2023 have completed their training.

Processing of claims and mediation

The group's system for processing claims enables customers to submit all types of claims, whether they concern the operation of accounts, savings or non-financial matters.

For the 14 federations belonging to Caisse Fédérale de Crédit Mutuel and to CIC banks, the number of claims totaled 40,255 in 2023. Claims handled by level 2 represent 0.49 claims per 1,000 customers.

With regard to mediation, between 2022 and 2023, the overall number of referrals to the Crédit Mutuel mediator increased by 31%, while the acceptance rate remained stable, representing 38% of referrals in 2023 (37% in 2022).

Fragile customers

At the end of 2023, the number of customers benefiting from the basic banking offer was 20,183 and the number of customers equipped with the fragile customer offer (OCF) amounted to 63,677.

Other indicators (non-exhaustive list)

Supplier charter

Nearly 4,800 charters were signed by CCS suppliers and Euro-Information suppliers (SOT100) at the end of December 2023.

Project financing

Among the 50 projects financed in 2023, 38 are classified in category B, 11 in category C and 1 in category A.

Assets under management, SFDR classification

Overall and according to the classifications of the European SFDR regulation, Crédit Mutuel Asset Management's outstandings break down as follows at December 31, 2023:

- Art. 9 funds – Class AMF I: €212 million;
- Art. 8 funds – Class AMF I and II: €66.7 billion.

These classifications represented 88.2% of Crédit Mutuel Asset Management's outstandings at December 31, 2023.

(1) The monitoring indicator, overseen by the compliance department, is monitored but not published for reasons of confidentiality.

Concerning La Française Group, Article 9 and Article 8 funds represent €20.6 billion and €5.3 billion respectively, *i.e.* 65.3% of La Française Group's outstandings.

The assets under management with BLI break down as follows at December 31:

- Art. 9 funds: 150 million,
- Art. 8 funds: 11.1 billion.

3.11.4 Report on the effective implementation of the vigilance plan

The SMR team of the risk department draws up the vigilance plan and its monitoring system in conjunction with the various stakeholders: compliance department and business centers. The vigilance plan and its report are included in group risk management and monitoring system.

In 2023, Crédit Mutuel Alliance Fédérale continued to strengthen its risk prevention, mitigation and management systems.

In the relationship with customers, the main measures concern risk management in the business lines:

- the launch of a working group to develop a sector-specific residential real estate policy for individuals;
- Crédit Mutuel Alliance Fédérale's commitment to biodiversity by joining Act4nature, which translates, among other things, into concrete objectives such as measuring the biodiversity footprint of its financing and investments, and training agricultural market account managers in biodiversity issues;
- the signing of the Tobacco-Free Finance Pledge by Mutuel Alliance Fédérale.

In the relationship with employees, the actions carried out were as follows:

- in terms of the code of conduct: Since 2021, the ETHIK application is available in five languages (French, English, Spanish, German and Belgian Dutch). Since 2021, additional questions are asked on a different topic each year, related to one of the rules of conduct. In 2023, the ETHIK review focused on conflicts of interest and the duty of transparency;
- the signature of a group agreement on the management of jobs and career paths (GEPP).

In the relationship with subcontractors and suppliers:

- continuation of work aimed at making the legal data of suppliers and subcontractors more reliable and improving our knowledge of them (KYS). The objective is to set up a single purchasing process for all the purchasing departments of Crédit Mutuel Alliance Fédérale with a dedicated tool for entering into relationships with suppliers.

DOCUMENTS AVAILABLE ON THE INTERNET

Title	Ref/link
Law No. 2017-399 of March 27, 2017 pertaining to the responsibility of parent companies and initiating companies	https://www.legifrance.gouv.fr/eli/loi/2017/03/27/2017-399/jo/texte
Sectoral policies	https://www.bfcm.creditmutuel.fr/fr/rsm/politiques-sectorielles/index.html

3.12 METHODOLOGICAL NOTE

For details regarding the composition of the sub-groups, please refer to the reports published by the reporting entities.

The technology division includes the following entities: Euro-Information Services, Euro-Information, Euro-Information Production, Euro-Information Développements, Euro-Protection Surveillance.

The press division includes the following entities: Affiches d'Alsace Lorraine; Alsacienne de Portage – DNA; Est Bourgogne Médias; groupe Républicain Lorrain Imprimerie (GRLI); groupe Dauphiné Média, groupe Progrès; La Liberté de l'Est; La Tribune; le Dauphiné Libéré; Le Républicain Lorrain; Les Dernières Nouvelles d'Alsace; L'Est Républicain; Médiaportage; Presse Diffusion; Publiprint Province no. 1; Républicain Lorrain - TV news; Républicain Lorrain Communication; SAP Alsace; SCI Le Progrès Confluence; Société d'édition de l'hebdomadaire du Louhannais et du Jura (SEHLJ) Société d'investissements médias (SIM), Ebra Events, Ebra Media Alsace, Ebra Media Lorraine Franche Comté, Ebra Services, AGIR, Ebra Productions, Est Info TV, Les éditions du Quotidien, Oddity H., Humanoid, Madmoizelle Agency.

3.12.1 Indicator scope

Unless otherwise specified in the report and in the table below, all indicators are collected and consolidated for the entire reference scope (see appendix).

Theme	Indicator	Methodological note
SOC01bis	PPH workforce	Data are missing for: CIC foreign subsidiaries except Banque du Luxembourg and Banque du Luxembourg Investments
SOC13	Recruitment: Total number of hires	
SOC19 SOC 20	Number of employees with open-ended contracts that quit the organization	
SOC38	Total number of working days of absence	
SOC46	Payroll invested in training	
SOC48	Number of employees who received training	
SOC50	Training: Total number of hours	Missing data for certain press entities
SOC107	Total gross annual compensation (in €) of open-ended contract employees	
SOC108	Total gross annual compensation (in €) – non-managerial open-ended contracts	
SOC109	Total gross annual compensation (in €) – managerial open-ended contracts	
GOUV14	Number of new elected directors of local banks	This indicator concerns: the 14 Crédit Mutuel Alliance Fédérale federations
GOUV15	Number of new elected women directors – local banks	
GOUV56	Training hours provided to directors (federation level; Alliance Fédérale except Crédit Mutuel Normandie)	
SOT27	Amount of loans on preferential terms (< €3,000) granted	This indicator concerns: the 14 Crédit Mutuel Alliance Fédérale federations TARGOBANK in Germany Cofidis France
SOT28	SRI assets under management	Data from Crédit Mutuel Asset Management, La Française and BLI
SOT28 BASE	Assets under management by the management company	Data from Crédit Mutuel Asset Management, La Française and BLI
SOT37	Assets under management in socially responsible employee savings plans	Crédit Mutuel Asset Management data
SOT40	Number of NPO customers (associations, labor organizations, works councils, etc.)	This indicator concerns: the 14 Crédit Mutuel Alliance Fédérale federations CIC regional banks in France BECM Banque Transatlantique
SOT52	Total budget dedicated to patronage and sponsorship*	This indicator concerns: the 14 Crédit Mutuel Alliance Fédérale federations CIC excluding foreign subsidiaries except Banque du Luxembourg and Banque du Luxembourg Investment

**This indicator may include budgets allocated in 2022, but not fully disbursed over the year.*

The measurement and reporting methodology, developed in 2006, has been progressively extended to cover the entire banking-insurance scope of Crédit Mutuel Alliance Fédérale. The corresponding indicators underwent an in-depth revision in 2018 in order to make the collection procedure more reliable with all the correspondents of the group. This methodology organizes the rules for collecting, calculating and consolidating indicators, their scope, and the controls performed. It is intended for the national collectors of Crédit Mutuel Alliance Fédérale federations and subsidiaries contributing to reporting. It formalizes the audit pattern for both internal and external audits.

3.12.2 Scope of entities

The scope taken into account for the NFPS is detailed below:

Level	Company
ACM	ACM GIE
	ACM IARD
	ACM Vie SAM
	ACM VIE SA
	Groupe des Assurances du Crédit Mutuel (GACM)
	NELB (North Europe Life Belgium)

Level	Company
CIC	Crédit Industriel et Commercial
	CIC Est
	CIC Lyonnaise de Banque
	CIC Nord Ouest
	CIC Ouest
	CIC Sud Ouest
	Banque de Luxembourg
	Banque de Luxembourg Investments SA (BLI)
	Banque Transatlantique (BT)
	CIC Conseil
	Crédit Mutuel Épargne Salariale
	Crédit Mutuel Factoring
	Crédit Mutuel Leasing
	Crédit Mutuel Real Estate Lease
	Crédit Mutuel Capital
	Crédit Mutuel Equity
	Crédit Mutuel Equity SCR
	Crédit Mutuel Innovation
	Dubly Transatlantique Gestion
COFIDIS	Cofidis Belgium
	Cofidis Spain
	Cofidis France
	Cofidis Hungary
	Cofidis Italy
	Cofidis Portugal
	Cofidis Czech Republic
	Cofidis SA Poland
	Cofidis SA Slovakia
	Creatis
	Monobanq
	Synergie
Euro-Information	Euro-Information Production
	Euro-Protection Surveillance
	Euro-Information
	Euro-Information Développements
	Euro-Information Services

Level	Company
Federations	Caisse Fédérale de Crédit Mutuel (CFCM)
	Caisse Régionale de Crédit Mutuel Anjou (CMA)
	Caisse Régionale du Crédit Mutuel Antilles-Guyane (CMAG)
	Caisse Régionale du Crédit Mutuel Centre (CMC)
	Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais (CMDV)
	Caisse Régionale du Crédit Mutuel de Savoie-Mont Blanc (CMSMB)
	Caisse Régionale du Crédit Mutuel Île-de-France (CMIDF)
	Caisse Régionale du Crédit Mutuel Loire-Atlantique Centre-Ouest (CMLACO)
	Caisse Régionale du Crédit Mutuel Massif Central (CMMC)
	Caisse Régionale du Crédit Mutuel Méditerranéen (CMM)
	Caisse Régionale du Crédit Mutuel Midi-Atlantique (CMMA)
	Caisse Régionale du Crédit Mutuel Nord Europe (CMNE)
	Caisse Régionale du Crédit Mutuel Normandie (CMN)
	Caisse Régionale du Crédit Mutuel Sud-Est (CMSE)
	Direction Régionale Bourgogne Champagne (DRBC), CMCEE
	Direction Régionale Nord (DRN), CMCEE
	Direction Régionale Ouest (DRO), CMCEE
	Direction Régionale Sud (DRS), CMCEE
	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Anjou (CMA)
	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Antilles-Guyane (CMAG)
	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Centre (CMC)
	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Centre Est Europe (CMCEE)
	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Dauphiné-Vivarais (CMVD)

Level	Company
Federations	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Île-de-France (CMIDF)
	Crédit Mutuel banks that are members of the Fédération du Crédit Mutuel Loire-Atlantique Centre-Ouest (CMLACO)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel Méditerranéen (CMM)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel Midi-Atlantique (CMMA)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel Massif Central (CMMC)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel Nord Europe (CMNE)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel Normandie (CMN)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel Sud-Est (CMSE)
	Crédit Mutuel local banks members of Fédération du Crédit Mutuel de Savoie-Mont Blanc (CMSMB)
	Fédération du Crédit Mutuel Anjou (CMA)
	Fédération du Crédit Mutuel Antilles-Guyane (CMAG)
	Fédération du Crédit Mutuel Centre (CMC)
	Fédération du Crédit Mutuel Centre Est Europe (CMCEE)
	Fédération du Crédit Mutuel Dauphiné-Vivarais (CMDV)
	Fédération du Crédit Mutuel de Savoie-Mont Blanc (CMSMB)
	Fédération du Crédit Mutuel Île-de-France (CMIDF)
	Fédération du Crédit Mutuel Loire-Atlantique Centre Ouest (CMLACO)
	Fédération du Crédit Mutuel Massif Central (CMMC)
	Fédération du Crédit Mutuel Méditerranéen (CMM)
	Fédération du Crédit Mutuel Midi-Atlantique (CMMA)
	Fédération du Crédit Mutuel Nord Europe (CMNE)
	Fédération du Crédit Mutuel Normandie (CMN)
	Fédération du Crédit Mutuel Sud-Est (CMSE)

Level	Company
Subsidiaries	Bail Actéa
	Bail Actéa Immobilier
	Banque Européenne du Crédit Mutuel (BECM)
	Banque Fédérative du Crédit Mutuel (BFCM)
	BECM Francfort
	Beobank
	CCLS
	Centre de Conseil et de Service
	CIC Private debt
	Crédit Mutuel Asset Management
	Crédit Mutuel Caution Habitat
	Crédit Mutuel Gestion
	Crédit Mutuel Immobilier
	Crédit Mutuel Investment Managers
	Factofrance
	La Française Group
	La Française AM
	La Française AM Finance Services
	La Française Group UK Finance Limited
	La Française Real Estate Managers
	La Française Sytematic Asset Management GmbH
	New Alpha Asset Management
	Targo Deutschland GmbH
	Targo Dienstleistungs GmbH
	Targo Factoring GmbH
	Targo Finanzberatung GmbH
	Targo Technology GmbH
	Targo Leasing GmbH
	TARGOBANK AG

Level	Company
Press	Affiches d'Alsace Lorraine
	Alsacienne de Portage – DNA
	Est Bourgogne Médias
	Groupe Républicain Lorrain Imprimeries (GRLI)
	Groupe Dauphiné Media
	Groupe Progrès
	Humanoid
	La Liberté de l'Est
	La Tribune
	Le Dauphiné Libéré
	Le Républicain Lorrain
	Les Dernières Nouvelles d'Alsace
	L'Est Républicain
	Madmoizelle
	Média portage
	Oddity H.
	Presse Diffusion
	Presstic Numerama
	Publiprint Province no. 1
	SAP Alsace
	SCI Le Progrès Confluence
	Société d'édition de l'hebdomadaire du Louhannais et du Jura (SEHLJ)
	Ebra Events
	Ebra Médias Alsace
	Ebra Services
	Ebra Médias Lorraine Franche Comté
	Société d'Investissements Médias (SIM)
	AGIR
	EBRA Productions
	Est Info TV
	Les Éditions du Quotidien

3.12.3 Main management rules

The 2022 data collection process began in September 2021 in order to mobilize all the departments concerned and organize reporting levels and consistency checks. Data collection was broken down into the search for qualitative and quantitative information.

The CSR indicators selected are based notably on:

- Article 225 of the Grenelle 2 law;
- greenhouse gas assessments;
- Order No. 2011-829 of July 11, 2011;
- the mutualist reporting;
- the "Energy Transition law for Green Growth", passed on August 18, 2015;
- Article 173 of the Energy Transition law enacted on December 31, 2015;
- the transposition of Directive No. 2014/95/EU of the European Parliament and of the Council of October 22, 2014 amending Directive No. 2013/34/EU as regards disclosure of non-financial and diversity information (Order No. 2017-1180 of July 19, 2017 and Order No. 2017-1265 of August 9, 2017);
- the Sapin 2 Law on anti-corruption adopted on November 8, 2016;
- the "duty of diligence" law adopted on February 21, 2017.

Governance indicators

Some of these indicators concern the mutualist governance of the group and the network of local banks. Most of this data is collected from a computer database used to manage elected-member offices and functions (entered by Crédit Mutuel Alliance Fédérale local bank managers as corporate changes are made to their boards) and from mutualist reporting (entered into an application by bank managers between mid-January and the end of February to report on corporate actions and events carried out during the previous year). Other data, notably that which is related to membership, are supplied by the group management-control information system.

Social indicators

The workforce data relates to the salaried employees, natural persons, on the payroll as at December 31, excluding trainees, temporary workers and external service providers. The data relating to days of absence includes all the absences of employees under permanent and short-term contracts and those on work-study programs in respect of the following: indemnified sick leave, non-indemnified sick leave, sick leave without a medical certificate, workplace accidents, special leave, leave to care for a sick child, prolonged unpaid leave (more than one month), sabbatical leave and work inability leave. It does not include paid leave or days off under collective agreements (compensatory time, seniority, marriage, etc.) or maternity or paternity leave. Lastly, the percentage of payroll expense spent on training does not include Fongecif subsidies. Regarding the group's French entities, the training indicators include the hours of face-to-face training and the online hours prerequisite for face-to-face hours. As of fiscal year 2018, the number of e-learning training hours are also counted.

Digital transformation training rate indicator: Scope of Cap Compétences including the Crédit Mutuel Alliance Fédérale federations, CIC banks, French social base subsidiaries and certain foreign subsidiaries. In the denominator: employees on open-ended contracts as of October 31, 2023 of the group's entities under the common social base. Apprentices, work-study students and professional training contracts are excluded as well as employees who were absent (long-term absences, maternity leave, end-of-career leave, unpaid leave) as of December 31, 2023. In the numerator: employees identified as trained who were able to follow these training courses until December 31, 2023, with the exception of employees who joined the group after October 31, 2023 and therefore not registered for the training.

Societal indicators

Most of the social indicators come from the group "management control" information system. The criteria and parameters are computerized to ensure greater reliability and traceability of the information provided. On the other hand, the social indicators are for the most part supplemented by qualitative indicators underscoring the actions carried out by Crédit Mutuel Alliance Fédérale entities in their respective region.

Environmental indicators

Given the nature of the group's activities, noise, soil and other forms of pollution from discharges into the air, water and soil which seriously affect the environment at its operating sites do not appear to be significant. In addition, the group does not have a major impact on biodiversity. However, these aspects have been reintegrated into its overall CSR approach but are not included in this report. Crédit Mutuel has not recognized any provisions in its accounts in respect of environmental risk.

As information on the monitoring of energy and water consumption is not available for all Crédit Mutuel Alliance Fédérale branches, a CCS Consulting and Services Center has developed a calculation system for estimating this consumption when necessary.

For foreign entities that are not integrated into the group's IT system, data was collected manually and then imported into the CSR consolidation application. This mainly concerns the press, the non-French entities of Cofidis group, the non-French entities of GACM, TARGOBANK in Germany and TARGOBANK in Spain.

Most of the consumption data reported for Crédit Mutuel Alliance Fédérale (networks, head offices and subsidiaries) are taken from water and energy bills:

- consumption of hot and cold water supplied by urban networks was gathered from data provided by suppliers;
- electricity and gas consumption: consumption data were provided by suppliers. Only the data concerning control rooms are still entered manually into the CONSOS collection tool and an extrapolation made for water consumption and other energies;
- consumption of water and other energies: as information relating to the monitoring of the consumption of certain forms of energy and water consumption is not available for all buildings, a calculation system was deployed by CCS making it possible to estimate consumption levels when necessary.

This information is extrapolated to complete:

- missing monthly consumption data (in proportion to the number of months entered in the CONSOS tool),
- consumption data missing from some meters (average consumption at m^2 multiplied by the surface area of the building). In most cases, published data covers the period from November 1, 2018 to June 30, 2019; the data collection period was changed in 2019 to enable better coverage to be ensured;

- consumption of paper for internal use: this is the combination of information provided by Sofedis (the central purchasing agency of Crédit Mutuel Alliance Fédérale), CCS for reprographics, as well as external suppliers if necessary and the service in charge of magazine subscriptions for Crédit Mutuel Alliance Fédérale;
- consumption of paper for external use: apart from Sofedis data, information transmitted by entities of the group's IT sector is taken into account: Euro-Information Production and Euro P3C (consignments of checkbooks, credit cards and bank statements) and other suppliers, particularly for the preparation of documents for communication purposes;
- travel: the number of kilometers travelled by motor fleets and the number of liters of diesel fuel and gasoline consumed by those fleets are estimated based on the information provided by CCS in charge of fleet management, on the basis of data obtained from fuel payment cards or on the basis of the internal monitoring of the consuming entities.

Fifty two indicators are subject to a publication review, a data audit (on-site or remote) based on analytical reviews, substantiation tests on a sampling basis, comparison with sector performance ratios, interviews and an insurance report testifying to the existence of the information and expressing an opinion on its fairness, issued by the statutory auditors designated as an independent third party. These indicators mainly concern the entire reference scope, except for certain specific indicators, as detailed in the table below.

Information on the Taxonomy regulation

Crédit Mutuel Alliance Fédérale, for the year ended December 31, 2023, chose not to completely apply the European Commission's notice of December 21, 2023 on the interpretation and implementation of certain legal provisions of the Delegated Act on disclosures under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets, given its late publication.

Household alignment

All transactions to finance the acquisition of real estate or the financing of real estate renovation work by households, as well as loans to finance the acquisition of a vehicle granted since January 1, 2022, have been considered fully eligible in accordance with Delegated Regulation (EU) 2021/2178 of July 06, 2021. To determine the alignment of these assets, Crédit Mutuel Alliance Fédérale relied on the information available in its information system for each category of eligible loans (loans secured by residential real estate, building renovation loans, vehicle loans).

Loans for building renovation and vehicle loans were considered as non-aligned due to the lack of available information, particularly with regard to the DNSH (do not significant harm) criteria.

In order to determine the alignment of its loans secured by residential real estate, Crédit Mutuel Alliance Fédérale has classified its various exposures, according to the building's date of construction (or issue of the building permit), on the existing RT 2012 and RE 2020 standards, as well as on the DPE collected directly or from the Agence de la Transition Energétique (ADEME). These data were supplemented by the analysis of physical risks carried out by Crédit Mutuel Alliance Fédérale on its portfolios. All loans exposed to physical climate risks were thus considered as not aligned with the taxonomy.

For new buildings, where the date of the building permit is not known, Crédit Mutuel Alliance Fédérale chose to evaluate the date of construction on the basis of the date of obtaining the loan secured by the real estate property, and thus deduce the maximum primary energy consumption to be respected for the real estate property to be aligned.

Crédit Mutuel Alliance Fédérale did not apply the minimum social guarantees to its household exposures, considering them unsuitable for households.

The household Green Asset Ratio was calculated on the basis of the gross carrying amount of households and not on the total assets covered by the taxonomy, as is the case for the total GAR.

Business alignment

With regard to financing operations for financial and non-financial companies, Crédit Mutuel Alliance Fédérale researched the eligibility and alignment published by its counterparties within their universal registration document, management report or Non-Financial Performance Statement, published in 2023 when the purpose of the financing is not known. The ratios published by its counterparties were used as a basis for weighting the outstandings relating to these companies. In the case of dedicated financing, the eligibility of the activity was considered according to the activity's NACE code, and bilateral exchanges were carried out to determine whether or not the various criteria leading to the activity's alignment had been met.

It should be noted that in the case of exposure to a subsidiary that does not publish information on the alignment of its own activity, Crédit Mutuel Alliance Fédérale elected to use the ratio published by its parent company.

The Green Asset Ratios for financial and non-financial companies were respectively calculated on the basis of the gross carrying amount of financial and non-financial companies subject to NFRD, and not on the total assets covered by the taxonomy, as is the case for total GAR.

Alignment of local authorities

Local authorities are included in the numerator of the Green Asset Ratio as soon as the purpose of the financing is known. In the case of unallocated loans, the exposure is excluded from the scope of hedged assets and reclassified as sovereign exposure.

Collateral obtained by seizure: residential and commercial real estate property

The alignment of the collateral obtained was not calculated in the absence of convincing information to justify the alignment.

Alignment of fossil gas and nuclear activities

In order to measure the alignment of its fossil gas and nuclear exposures, Crédit Mutuel Alliance Fédérale relied on the eligibility and alignment ratios of its counterparties published within their universal registration document in 2023. The KPIs for which tables of nuclear energy and fossil gas activities are to be published are detailed in this Non-Financial Performance Statement. Tables relating to nuclear and fossil gas activities for economic activities aligned with the Green Taxonomy, economic activities eligible but not aligned with the Green Taxonomy and economic activities not eligible for the Green Taxonomy have been presented for exposures on balance sheet outstandings. These tables have not been reproduced for off-balance sheet exposures, nor for the flow of new on- or off-balance sheet exposures.

Eligibility of assets for other environmental objectives

In accordance with Article 5 of Delegated Regulation (EU) 2023/2486, Crédit Mutuel Alliance Fédérale is required to publish the eligibility of its portfolio for the four climate objectives (protection of water and marine resources, transition to a circular economy, pollution prevention and reduction, protection and restoration of biodiversity and ecosystems). In the absence of available information published by its counterparties, Crédit Mutuel Alliance Fédérale was unable to carry out an eligibility analysis and has therefore chosen not to include them in its eligibility ratio. From 2025 onwards, Crédit Mutuel Alliance Fédérale will rely on the data published by its NFRD counterparties in their sustainability reports to publish the eligibility of its portfolio over the entire scope of the taxonomy.

3.13 INFORMATION ON REGULATORY REQUIREMENTS

Information on the recently treated topics under the NFPS and excluded from the cross-reference table:

- fight against food insecurity: not applicable;
- respect for animal welfare and responsible, fair and sustainable nutrition: not applicable.

Articles R.225-105 and L.225-102-1 of the French Commercial Code	Section
Business model	3.2.2; 3.2.3
Non-financial risks	3.3
Policies implemented/results of these policies	3.2.4
1° Social information:	
a) Employment:	
▪ the total workforce and breakdown of employees by gender, age and geographic area	3.7.5
▪ hires and layoffs	3.7.5
▪ compensation and its evolution	3.7.5
b) Work organization:	
▪ organization of work time	3.7.5
▪ absenteeism	3.7.5
c) Health and safety:	
▪ health and safety conditions at work	3.7.3
▪ occupational accidents, notably their frequency and severity, as well as occupational illnesses (1)	3.7.5
d) Labor relations:	
▪ organization of social dialog, notably the procedures for informing and consulting employees and negotiating with them	3.7.4
▪ review of collective agreements, notably as regards occupational health and safety	3.7.4
e) Training:	
▪ policies implemented for training, in particular with regard to the protection of the environment	3.7.2
▪ total number of training hours	3.7.5

Articles R.225-105 and L.225-102-1 of the French Commercial Code	Section
f) Equal treatment:	
▪ measures taken to promote gender equality	3.7.1
▪ measures taken to promote the employment and integration of people with disabilities	3.7.1
▪ anti-discrimination policy	3.7.1
2° Environmental information:	
a) General environmental policy:	
▪ organization of the company to take into account environmental issues and, where applicable, environmental assessment or certification procedures	3.8.1
▪ resources devoted to the prevention of environmental risks and pollution	3.8.1
▪ amount of the provisions and guarantees for environmental risks, provided that this information is not likely to cause serious damage to the company in litigation in progress	-
b) Pollution:	
▪ measures to prevent, reduce or repair air, water and soil discharges that seriously affect the environment	3.8.6
▪ consideration of any form of pollution specific to an activity, especially noise and light pollution	3.8.1
c) Circular economy:	
▪ waste prevention and management	3.8.1
▪ prevention, recycling, reuse, other forms of recovery and waste disposal	3.8.1
▪ actions to combat food waste	3.8.1
▪ sustainable use of resources	3.8.1
▪ water consumption and water supply based on local constraints	3.8.1
▪ consumption of raw materials and measures taken to improve efficiency in their use	3.8.1
▪ energy consumption, measures taken to improve energy efficiency and the use of renewable energies	3.8.1
▪ land use	NA
d) Climate change:	
▪ significant greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	3.8.1
▪ measures taken to adapt to the consequences of climate change	3.8.5. 3.8.6
▪ voluntary medium- and long-term reduction targets to reduce greenhouse gas emissions and the resources used for that purpose	3.2.4.2; 3.8.1 to 3.8.5
e) Protection of biodiversity:	
▪ measures taken to preserve or restore biodiversity	3.8.7
3° Societal information	
a) Societal commitments to promote sustainable development:	
▪ impact of the company's activity on employment and local development	3.7.1; 3.6.3 to 3.6.6
▪ impact of the company's activity on neighboring or local populations (2)	3.6.3; 3.6.4
▪ relations maintained with the stakeholders of the company and terms of dialog with them	3.2.3; 3.4.1; 3.5.2
▪ partnership or patronage actions	3.2.3; 3.6.4
b) Subcontracting and suppliers:	
▪ consideration of social and environmental issues in purchasing policy	3.6.1
▪ consideration in relations with suppliers and subcontractors of their corporate social responsibility;	3.6.2
c) Fair practices:	
▪ measures taken to promote consumer health and safety	3.4.3

Articles R.225-105 and L.225-102-1 of the French Commercial Code	Section
Additional Information	
1° Information on the fight against corruption:	
▪ actions undertaken to prevent corruption	3.4.3
2° Information on actions to promote human rights	
a) Promotion and compliance with the provisions of the fundamental conventions of the International Labor Organization relating to:	
▪ respect for the freedom of association and the right to collective bargaining	3.7.4; 3.7.5
▪ the elimination of discrimination in terms of employment and occupation	3.7.1; 3.7.5
▪ the elimination of forced or compulsory labor	3.6.1; 3.6.2; 3.7.5
▪ the effective abolition of child labor	3.6.1; 3.6.2; 3.7.5
b) Other actions undertaken to promote human rights	3.4.3, 3.11.3
3° Other information	
Societal commitments to promote:	
▪ the fight against food insecurity	3.6.4
▪ respect for animal welfare	NC
▪ responsible, fair and sustainable food	NC
▪ Nation-army bond	NC
▪ commitment to the reserves	NC
▪ physical and sporting activities	3.6.4
▪ people with disabilities	3.7.1
Direct and indirect greenhouse gas emissions linked to upstream and downstream transport activities	3.8.1
Action plan to reduce emissions (use of rail and river modes, biofuels and electromobility)	3.8.1

(1) Only the number of workplace accidents is reported.

(2) Crédit Mutuel Alliance Fédérale refers to its regional impact through its local presence. However, its activity has no impact on local populations.

3.14 APPENDICES

General models

- Model 1: Assets used to calculate GAR
- Model 2: GAR Information by sector
- Model 3: KPI GAR Outstandings
- Model 4: KPI GAR Flows
- Model 5: KPI for off-balance sheet exposures

Models specific to fossil gas and nuclear activities

- Model 1: Nuclear energy and fossil gas activities
- Model 2: Taxonomy-aligned economic activities (denominator)
- Model 3: Taxonomy-aligned economic activities (numerator)
- Model 4: Economic activities eligible for the taxonomy but not aligned with it
- Model 5: Economic activities not eligible for taxonomy

General models

MODEL 1 - ASSETS USED TO CALCULATE THE GREEN ASSET RATIO (GAR)

The information in this model is based on the counterparties' revenue and capital expenditure (Capex).

Presentation based on counterparties' revenue

		a	b	c	d	e	f
		Reference date of information 2023					
			Climate change mitigation (CCM)				
			Of which to sectors relevant for taxonomy (eligible for taxonomy)				
				Of which environmentally sustainable (aligned with taxonomy)			
	(in € millions)	Total gross carrying amount			Of which product use	Of which transitional	Of which enabling
	GAR - ASSETS COVERED BY NUMERATOR AND DENOMINATOR						
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	296,247	198,302	31,170	30,352	14	443
2	**Financial companies**	21,912	913	96	0	3	58
3	**Credit institutions**	9,735	57	0	0	0	0
4	**- Loans and advances**	4,188	7	0	0	0	0
5	**- Debt securities, including specific use of proceeds (UoP)**	5,546	50	0	0	0	0
6	**- Equity instruments**	0	0	0	-	0	0
7	**Other financial institutions**	12,177	856	96	0	3	58
8	**of which investment firms**	4	0	0	0	0	0
9	**- Loans and advances**	4	0	0	0	0	0
10	**- Debt securities, including specific use of proceeds (UoP)**	0	0	0	0	0	0
11	**- Equity instruments**	0	0	0	-	0	0
12	**of which asset management companies**	137	0	0	0	0	0
13	**- Loans and advances**	137	0	0	0	0	0
14	**- Debt securities, including specific use of proceeds (UoP)**	0	0	0	0	0	0
15	**- Equity instruments**	0	0	0	-	0	0
16	**of which insurance companies**	8,962	699	87	0	3	49
17	**- Loans and advances**	23	0	0	0	0	0
18	**- Debt securities, including specific use of proceeds (UoP)**	0	0	0	0	0	0
19	**- Equity instruments**	8,940	699	87	-	3	49
20	**Non-financial corporations**	16,508	3,534	722	0	11	385
21	**- Loans and advances**	16,314	3,534	722	0	11	385
22	**- Debt securities, including specific use of proceeds (UoP)**	179	0	0	0	0	0
23	**- Equity instruments**	14	0	0	-	0	0
24	**Households**	251,471	193,779	30,352	30,352	0	0
25	of which secured by residential real estate property	190,657	190,657	30,352	30,352	0	0
26	of which loans for building renovation	1,426	1,426	0	0	0	0
27	of which motor vehicle loans	4,714	1,696	0	0	0	0
28	**Financing of local governments**	6,340	76	0	0	0	0
29	Housing finance	76	76	0	0	0	0
30	Other local government financing	6,264	0	0	0	0	0
31	**Collateral obtained by seizure: residential and commercial real estate property**	16	0	0	0	0	0
32	Other assets excluded from the numerator for GAR calculation (but covered by the denominator)	328,283	0	0	0	0	0
33	**Financial and non-financial companies**	291,440	-	-	-	-	-
34	SMEs and non-financial companies (other than SMEs) not subject to the NFRD disclosure requirements	266,190	-	-	-	-	-
35	- Loans and advances	247,895	-	-	-	-	-
36	***of which secured by commercial real estate property***	38,700	-	-	-	-	-
37	***of which loans for building renovation***	0	-	-	-	-	-
38	- Debt securities	11,466	-	-	-	-	-
39	- Equity instruments	6,828	-	-	-	-	-

g	h	i	j	ab	ac	ad	ae	af
				Reference date of information 2023				
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)					Of which to sectors relevant for taxonomy (eligible for taxonomy)			
	Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)		
		Of which product use	Of which enabling			Of which product use	Of which transitional	Of which enabling
1,004	468	0	468	199,306	31,638	30,352	14	911
981	467	0	467	1,894	563	0	3	525
0	0	0	0	57	0	0	0	0
0	0	0	0	7	0	0	0	0
0	0	0	0	50	0	0	0	0
0	0	-	0	0	0	-	0	0
981	467	0	467	1,836	563	0	3	525
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	-	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	-0
0	0	0	-0	0	0	0	0	0
0	0	-	0	0	0	-	0	-
981	467	0	467	1,680	554	0	3	516
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
981	467	-	467	1,680	554	-	3	516
23	1	0	1	3,557	723	0	11	386
23	1	0	1	3,557	723	0	11	386
0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	-	0	0
0	0	0	0	193,779	30,352	30,352	0	0
0	0	0	0	190,657	30,352	30,352	0	0
0	0	0	0	1,426	0	0	0	0
-	-	-	-	1,696	0	0	0	0
0	0	0	0	76	0	0	0	0
0	0	0	0	76	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f
		Reference date of information 2023					
			Climate change mitigation (CCM)				
			Of which to sectors relevant for taxonomy (eligible for taxonomy)				
				Of which environmentally sustainable (aligned with taxonomy)			
(in € millions)		Total gross carrying amount			Of which product use	Of which transitional	Of which enabling
40	Third-country counterparties not subject to the NFRD disclosure requirements	25,251	-	-	-	-	-
41	- Loans and advances	21,460	-	-	-	-	-
42	- Debt securities	3,495	-	-	-	-	-
43	- Equity instruments	294	-	-	-	-	-
44	**Derivatives**	1,525	-	-	-	-	-
45	**Interbank demand loans**	4,505	-	-	-	-	-
46	**Cash and cash equivalents**	1,078	-	-	-	-	-
47	**Other assets (goodwill, commodities, etc.)**	29,736	-	-	-	-	-
48	Total GAR assets	624,530	198,302	31,170	30,352	14	443
49	Assets not included in the GAR calculation	190,418	-	-	-	-	-
50	**Central governments and supranational issuers**	63,683	-	-	-	-	-
51	**Exposures to central banks**	100,322	-	-	-	-	-
52	**Trading book**	26,413	-	-	-	-	-
53	**Total assets**	**814,949**	**198,302**	**31,170**	**30,352**	**14**	**443**
	OFF-BALANCE SHEET EXPOSURES - COMPANIES SUBJECT TO THE NFRD DISCLOSURE REQUIREMENTS						
54	Financial guarantees	26,827	3,415	1,146	0	16	871
55	Assets under management	148,924	5,385	1,257	0	86	716
56	Of which debt securities	45,139	2,858	539	0	34	239
57	Of which equity instruments	16,419	1,518	456	0	8	370

1. This model includes information on loans and advances, debt securities and equity instruments in the banking book relating to financial companies, non-financial companies, including SMEs, households (residential property, home improvement loans and motor loans only) and local authorities/municipalities (housing finance).

2. The following accounting categories of financial assets are to be considered: financial assets at amortized cost, financial assets measured at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated as measured at fair value through profit or loss, financial assets mandatorily measured at fair value through profit or loss, and real estate collateral foreclosed by credit institutions in exchange for cancellation of debt.

3. Banks with subsidiaries outside the EU must provide this information separately for exposures to non-EU counterparties. For non-EU exposures, while the absence of common disclosure requirements and methodologies poses additional difficulties, since the EU taxonomy and the Directive apply only at EU level, credit institutions with subsidiaries in non-EU countries should, given the importance of these exposures to them, disclose as far as possible a separate GAR for their non-EU exposures, in the form of estimates and ranges, using approximations and explaining assumptions, qualifications and limitations.

4. For motor loans, institutions only include exposures created after the date of application of the disclosure requirement.

g	h	i	j	ab	ac	ad	ae	af
				Reference date of information 2023				
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)				Of which to sectors relevant for taxonomy (eligible for taxonomy)				
	Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
		Of which product use	Of which enabling			Of which product use	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,004	468	0	468	199,306	31,638	30,352	14	911
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,004	**468**	**0**	**468**	**199,306**	**31,638**	**30,352**	**14**	**911**
53	1	0	1	3,468	1,147	0	16	872
87	9	0	9	5,472	1,266	0	86	724
31	0	0	0	2,889	539	0	34	239
14	5	0	5	1,532	461	0	8	375

Presentation based on counterparty expenditure (Capex)

		a	b	c	d	e	f
		Reference date of information 2023					
			Climate change mitigation (CCM)				
			Of which to sectors relevant for taxonomy (eligible for taxonomy)				
				Of which environmentally sustainable (aligned with taxonomy)			
(in € millions)		Total gross carrying amount			Of which product use	Of which transitional	Of which enabling
	GAR - ASSETS COVERED BY NUMERATOR AND DENOMINATOR						
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	296,247	200,305	31,744	30,352	59	646
2	**Financial companies**	21,912	971	175	0	10	96
3	**Credit institutions**	9,735	10	1	0	0	1
4	- Loans and advances	4,188	10	1	0	0	1
5	- Debt securities, including specific use of proceeds (UoP)	5,546	0	0	0	0	0
6	- Equity instruments	0	0	0	-	0	0
7	**Other financial institutions**	12,177	961	174	0	10	95
8	**of which investment firms**	4	0	0	0	0	0
9	- Loans and advances	4	0	0	0	0	0
10	- Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
11	- Equity instruments	0	0	0	-	0	0
12	**of which asset management companies**	137	0	0	0	0	0
13	- Loans and advances	137	0	0	0	0	0
14	- Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
15	- Equity instruments	0	0	0	-	0	0
16	**of which insurance companies**	8,962	699	139	0	9	61
17	- Loans and advances	23	0	0	0	0	0
18	- Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
19	- Equity instruments	8,940	699	139	-	9	61
20	**Non-financial corporations**	16,508	5,478	1 217	0	49	550
21	- Loans and advances	16,314	5,478	1 217	0	49	550
22	- Debt securities, including specific use of proceeds (UoP)	179	0	0	0	0	0
23	- Equity instruments	14	0	0	-	0	0
24	**Households**	251,471	193,779	30,352	30,352	0	0
25	of which secured by residential real estate property	190,657	190,657	30,352	30,352	0	0
26	of which loans for building renovation	1,426	1,426	0	0	0	0
27	of which motor vehicle loans	4,714	1,696	0	0	0	0
28	**Financing of local governments**	6,340	76	0	0	0	0
29	Housing finance	76	76	0	0	0	0
30	Other local government financing	6,264	0	0	0	0	0
31	**Collateral obtained by seizure: residential and commercial real estate property**	16	0	0	0	0	0
32	Other assets excluded from the numerator for GAR calculation (but covered by the denominator)	328,283	0	0	0	0	0
33	**Financial and non-financial companies**	291,440	-	-	-	-	-
34	SMEs and non-financial companies (other than SMEs) not subject to the NFRD disclosure requirements	266,190	-	-	-	-	-
35	- Loans and advances	247,895	-	-	-	-	-
36	*of which secured by commercial real estate property*	38,700	-	-	-	-	-
37	*of which loans for building renovation*	0	-	-	-	-	-
38	- Debt securities	11,466	-	-	-	-	-
39	- Equity instruments	6,828	-	-	-	-	-

g	h	i	j	ab	ac	ad	ae	af
				Reference date of information 2023				
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)				Of which to sectors relevant for taxonomy (eligible for taxonomy)				
	Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
		Of which product use	Of which enabling			Of which product use	Of which transitional	Of which enabling
5,891	40	0	0	206,196	31,784	30,352	59	647
970	17	0	0	1,941	192	0	10	96
10	0	0	0	20	1	0	0	1
10	0	0	0	20	1	0	0	1
0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	-	0	0
960	17	0	0	1,921	191	0	10	95
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	-	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	-	0	0
699	17	0	0	1,398	156	0	9	61
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
699	17	-	0	1,398	156	-	9	61
4,921	23	0	0	10,399	1,240	0	49	550
4,921	23	0	0	10,399	1,240	0	49	550
0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	-	0	0
0	0	0	0	193,779	30,352	30,352	0	0
0	0	0	0	190,657	30,352	30,352	0	0
0	0	0	0	1,426	0	0	0	0
-	-	-	-	1,696	0	0	0	0
0	0	0	0	76	0	0	0	0
0	0	0	0	76	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f
		Reference date of information 2023					
			Climate change mitigation (CCM)				
			Of which to sectors relevant for taxonomy (eligible for taxonomy)				
				Of which environmentally sustainable (aligned with taxonomy)			
(in € millions)		Total gross carrying amount			Of which product use	Of which transitional	Of which enabling
40	Third-country counterparties not subject to the NFRD disclosure requirements	25,251	-	-	-	-	-
41	- Loans and advances	21,461	-	-	-	-	-
42	- Debt securities	3,496	-	-	-	-	-
43	- Equity instruments	294	-	-	-	-	-
44	**Derivatives**	1,525	-	-	-	-	-
45	**Interbank demand loans**	4,505	-	-	-	-	-
46	**Cash and cash equivalents**	1,078	-	-	-	-	-
47	**Other assets (goodwill, commodities, etc.)**	29,736	-	-	-	-	-
48	Total GAR assets	624,530	200,305	31,744	30,352	59	646
49	Assets not included in the GAR calculation	190,418	-	-	-	-	-
50	**Central governments and supranational issuers**	63,683	-	-	-	-	-
51	**Exposures to central banks**	100,322	-	-	-	-	-
52	**Trading book**	26,413	-	-	-	-	-
53	**Total assets**	**814,949**	**200,779**	**31,744**	**30,352**	**59**	**646**
	OFF-BALANCE SHEET EXPOSURES - COMPANIES SUBJECT TO THE NFRD DISCLOSURE REQUIREMENTS						
54	Financial guarantees	26,827	3,872	1,146	0	32	803
55	Assets under management	148,924	9,746	1,868	0	83	1,001
56	Of which debt securities	45,139	5,029	939	0	25	582
57	Of which equity instruments	16,419	3,671	577	0	33	262

1. This model includes information on loans and advances, debt securities and equity instruments in the banking book relating to financial companies, non-financial companies, including SMEs, households (residential property, home improvement loans and motor loans only) and local authorities/municipalities (housing finance).

2. The following accounting categories of financial assets are to be considered: financial assets at amortized cost, financial assets measured at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated as measured at fair value through profit or loss, financial assets mandatorily measured at fair value through profit or loss, and real estate collateral foreclosed by credit institutions in exchange for cancellation of debt.

3. Banks with subsidiaries outside the EU must provide this information separately for exposures to non-EU counterparties. For non-EU exposures, while the absence of common disclosure requirements and methodologies poses additional difficulties, since the EU taxonomy and the Directive apply only at EU level, credit institutions with subsidiaries in non-EU countries should, given the importance of these exposures to them, disclose as far as possible a separate GAR for their non-EU exposures, in the form of estimates and ranges, using approximations and explaining assumptions, qualifications and limitations.

4. For motor loans, institutions only include exposures created after the date of application of the disclosure requirement.

g	h	i	j	ab	ac	ad	ae	af
				Reference date of information 2023				
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)				Of which to sectors relevant for taxonomy (eligible for taxonomy)				
	Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
		Of which product use	Of which enabling			Of which product use	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,891	40	0	0	206,196	31,784	30,352	59	647
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,891	**40**	**0**	**0**	**206,670**	**31,784**	**30,352**	**59**	**647**
3,765	4	0	1	7,637	1,150	0	32	804
9,742	12	0	0	19,488	1,880	0	83	1,001
5,217	3	0	0	10,245	942	0	25	582
3,677	5	0	0	7,348	581	0	33	262

Information on the portfolio's eligibility for environmental targets (water and marine resources, circular economy, pollution prevention and reduction, biodiversity and ecosystems) could not be collected, due to the lack of data published by NFRD counterparties within their non-financial performance statement for the 2023 fiscal year. These data will be produced and included in the calculation of the eligibility ratio as of the 2024 fiscal year.

MODEL 2 - GREEN ASSET RATIO: INFORMATION BY SECTOR

The information in this model is based solely on the revenue and capital expenditure (Capex) of the counterparties.

Presentation based on counterparties' revenue

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM +CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
1	A01.11-Growing of cereals (except paddy), legumes and oilseeds	36	0	-	-	36	0	-	-	36	0	-	-
2	A01.13-Growing of vegetables, melons, roots and tubers	3	0	-	-	3	0	-	-	3	0	-	-
3	A01.21-Grapevine culture	20	0	-	-	20	0	-	-	20	0	-	-
4	A01.45-Sheep and goat farming	1	0	-	-	1	0	-	-	1	0	-	-
5	A01.49-Raising of other animals	1	0	-	-	1	0	-	-	1	0	-	-
6	A02.20-Logging	1	0	-	-	1	0	-	-	1	0	-	-
7	B08.11-Quarrying of ornamental and construction stone, industrial limestone, gypsum, chalk and slate	2	0	-	-	2	0	-	-	2	0	-	-
8	B08.12-Operation of gravel and sand pits, extraction of clays and kaolin	16	2	-	-	16	0	-	-	16	2	-	-
9	B08.99-Other mining activities n.e.c.	1	0	-	-	1	0	-	-	1	0	-	-
10	B09.10-Support activities for hydrocarbon extraction	76	0	-	-	76	0	-	-	76	0	-	-
11	B09.90-Support services to other extractive industries	3	0	-	-	3	0	-	-	3	0	-	-
12	C10.12-Poultry meat processing and preservation	9	0	-	-	9	0	-	-	9	0	-	-
13	C10.39-Other processing and preserving of fruit and vegetables	3	0	-	-	3	0	-	-	3	0	-	-
14	C10.51-Operation of dairies and cheese production	8	0	-	-	8	0	-	-	8	0	-	-
15	C10.61-Grain processing	5	0	-	-	5	0	-	-	5	0	-	-
16	C10.71-Manufacture of bread and fresh pastries	5	0	-	-	5	0	-	-	5	0	-	-
17	C10.72-Manufacture of preserving cookies, rusks and pastries	1	0	-	-	1	0	-	-	1	0	-	-
18	C10.73-Manufacture of pasta	1	0	-	-	1	0	-	-	1	0	-	-
19	C.10.81-Manufacture of sugar	1	0	-	-	1	0	-	-	1	0	-	-
20	C10.82-Manufacture of cocoa, chocolate and confectionery products	1	0	-	-	1	0	-	-	1	0	-	-
21	C10.85-Manufacture of prepared meals	10	0	-	-	10	0	-	-	10	0	-	-
22	C10.86-Manufacture of homogenized and dietetic foods	2	0	-	-	2	0	-	-	2	0	-	-
23	C10.89-Manufacture of other food products n.e.c.	4	0	-	-	4	0	-	-	4	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM +CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
24	C11.01-Production of distilled alcoholic beverages	27	0	-	-	27	0	-	-	27	0	-	-
25	C11.02-Wine production (of grapes)	83	0	-	-	83	0	-	-	83	0	-	-
26	C.11.05-Manufacture of beer	5	0	-	-	5	0	-	-	5	0	-	-
27	C11.07-Mineral water and other bottled water and soft drinks industry	1	0	-	-	1	0	-	-	1	0	-	-
28	C13.92-Manufacture of textile articles, except clothing	1	0	-	-	1	0	-	-	1	0	-	-
29	C13.96-Manufacture of other technical and industrial textiles	2	0	-	-	2	0	-	-	2	0	-	-
30	C15.11-Leather finishing and tanning; fur preparation and dyeing	17	0	-	-	17	0	-	-	17	0	-	-
31	C15.12-Manufacture of travel goods, leather goods and saddlery	3	0	-	-	3	0	-	-	3	0	-	-
32	C16.23-Manufacture of frames and other joinery	2	0	-	-	2	0	-	-	2	0	-	-
33	C.16.24-Manufacture of wooden containers	35	0	-	-	35	0	-	-	35	0	-	-
34	C17.12-Manufacture of paper and paperboard	1	0	-	-	1	0	-	-	1	0	-	-
35	C17.21-Manufacture of corrugated paper and paperboard and of packaging of paper or paperboard	4	0	-	-	4	0	-	-	4	0	-	-
36	C18.12-Other printing (commercial)	1	0	-	-	1	0	-	-	1	0	-	-
37	C19.20-Reproduction of recordings	12	0	-	-	12	0	-	-	12	0	-	-
38	C20.11-Manufacture of industrial gases	131	0	-	-	131	0	-	-	131	0	-	-
39	C20.14-Manufacture of other basic organic chemicals	3	0	-	-	3	0	-	-	3	0	-	-
40	C20.15-Manufacture of nitrogenous products and fertilizers	1	0	-	-	1	0	-	-	1	0	-	-
41	C20.16-Manufacture of basic plastics	1	0	-	-	1	0	-	-	1	0	-	-
42	C20.20-Manufacture of pesticides and other agrochemicals	1	0	-	-	1	0	-	-	1	0	-	-
43	C20.41-Manufacture of soaps, detergents and cleaning products	12	0	-	-	12	0	-	-	12	0	-	-
44	C20.42-Manufacture of perfumes and toilet preparations	86	0	-	-	86	0	-	-	86	0	-	-
45	C20.53-Manufacture of essential oils	55	0	-	-	55	0	-	-	55	0	-	-
46	C20.59-Manufacture of other chemical products n.e.c.	4	0	-	-	4	0	-	-	4	0	-	-
47	C.21.10-Manufacture of basic pharmaceutical products	15	0	-	-	15	0	-	-	15	0	-	-
48	C21.20-Manufacture of pharmaceutical preparations	94	0	-	-	94	0	-	-	94	0	-	-
49	C22.11-Manufacturing and retreading of tires	8	0	-	-	8	0	-	-	8	0	-	-

3

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM +CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
50	C22.19-Manufacture of other rubber products	2	0	-	-	2	0	-	-	2	0	-	-
51	C22.21-Manufacture of plastic plates, sheets, tubes and profiles	2	0	-	-	2	0	-	-	2	0	-	-
52	C22.22-Manufacture of plastic packaging	1	0	-	-	1	0	-	-	1	0	-	-
53	C22.23-Manufacture of plastic parts for construction	8	0	-	-	8	0	-	-	8	0	-	-
54	C22.29-Manufacture of other plastic products	79	0	-	-	79	0	-	-	79	0	-	-
55	C23.11-Manufacture of flat glass	2	0	-	-	2	0	-	-	2	0	-	-
56	C23.12-Shaping and processing of flat glass	1	0	-	-	1	0	-	-	1	0	-	-
57	C23.19-Manufacture and processing of other glass articles, including technical glass	19	0	-	-	19	0	-	-	19	0	-	-
58	C23.20-Manufacture of refractory products	1	0	-	-	1	0	-	-	1	0	-	-
59	C23.32-Manufacture of bricks, tiles and construction products, in baked clay	14	0	-	-	14	0	-	-	14	0	-	-
60	C.23.51-Manufacture of cement	5	0	-	-	5	0	-	-	5	0	-	-
61	C23.61-Manufacture of concrete products for construction purposes	1	0	-	-	1	0	-	-	1	0	-	-
62	C23.62-Manufacture of plaster products for construction purposes	1	0	-	-	1	0	-	-	1	0	-	-
63	C23.63-Manufacture of ready-mixed concrete	10	0	-	-	10	0	-	-	10	0	-	-
64	C23.64-Manufacture of dry mortars and concrete	2	0	-	-	2	0	-	-	2	0	-	-
65	C23.99-Manufacture of other non-metallic mineral products n.e.c.	28	4	-	-	28	0	-	-	28	4	-	-
66	C24.10-Steel industry	22	1	-	-	22	0	-	-	22	1	-	-
67	C24.20-Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	2	0	-	-	2	0	-	-	2	0	-	-
68	C24.33-Cold roll forming or bending	1	0	-	-	1	0	-	-	1	0	-	-
69	C24.43-Lead, zinc or tin metallurgy	2	0	-	-	2	0	-	-	2	0	-	-
70	C24.45-Metallurgy of other non-ferrous metals	4	0	-	-	4	0	-	-	4	0	-	-
71	C24.51-Cast iron foundry	3	0	-	-	3	0	-	-	3	0	-	-
72	C25.11-Manufacture of metal structures and parts of structures	1	0	-	-	1	0	-	-	1	0	-	-
73	C25.12-Manufacture of metal doors and windows	5	0	-	-	5	0	-	-	5	0	-	-
74	C25.50-Forging, stamping, stamping; powder metallurgy	14	0	-	-	14	0	-	-	14	0	-	-
75	C25.62-Manufacture of locks and hinges	60	0	-	-	60	0	-	-	60	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM +CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
76	C25.72-Manufacture of locks and hardware	1	0	-	-	1	0	-	-	1	0	-	-
77	C25.94-Manufacture of fasteners and screw machine products	1	0	-	-	1	0	-	-	1	0	-	-
78	C25.99-Manufacture of other metal products n.e.c.	6	0	-	-	6	0	-	-	6	0	-	-
79	C26.11-Manufacture of electrical components	46	0	-	-	46	0	-	-	46	0	-	-
80	C26.12-Manufacture of assembled electronic boards	5	0	-	-	5	0	-	-	5	0	-	-
81	C26.20-Manufacture of computers and peripheral equipment	19	0	-	-	19	0	-	-	19	0	-	-
82	C26.30-Manufacture of communication equipment	10	0	-	-	10	0	-	-	10	0	-	-
83	C26.51-Manufacture of instruments and appliances for measuring, testing and navigation	53	0	-	-	53	0	-	-	53	0	-	-
84	C26.60-Manufacture of medical irradiation, electromedical and electrotherapeutic equipment	1	0	-	-	1	0	-	-	1	0	-	-
85	C26.70-Manufacture of optical and photographic equipment	4	0	-	-	4	0	-	-	4	0	-	-
86	C27.11-Manufacture of electric motors, generators and transformers	30	0	-	-	30	0	-	-	30	0	-	-
87	C27.12-Manufacture of electrical distribution and control equipment	15	3	-	-	15	0	-	-	15	3	-	-
88	C27.20-Manufacture of primary batteries and accumulators	3	0	-	-	3	0	-	-	3	0	-	-
89	C27.32-Manufacture of other electronic or electric wires and cables	2	0	-	-	2	0	-	-	2	0	-	-
90	C27.33-Manufacture of electrical installation equipment	2	0	-	-	2	0	-	-	2	0	-	-
91	C27.40-Manufacture of electric lighting fixtures	1	1	-	-	1	0	-	-	1	1	-	-
92	C27.51-Manufacture of household appliances	1	0	-	-	1	0	-	-	1	0	-	-
93	C27.90-Manufacture of other electrical equipment	12	0	-	-	12	0	-	-	12	0	-	-
94	C28.11-Manufacture of engines and turbines, except aircraft and vehicle engines	56	4	-	-	56	0	-	-	56	4	-	-
95	C28.13-Manufacture of other pumps and compressors	16	0	-	-	16	0	-	-	16	0	-	-
96	C28.15-Manufacture of gears and mechanical transmission components	1	0	-	-	1	0	-	-	1	0	-	-
97	C28.22-Manufacture of lifting and handling equipment	125	2	-	-	125	0	-	-	125	2	-	-
98	C28.25-Manufacture of industrial ventilation and refrigeration equipment	9	0	-	-	9	0	-	-	9	0	-	-
99	C28.29-Manufacture of miscellaneous general-purpose machinery	30	0	-	-	30	0	-	-	30	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM +CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
100	C28.30-Manufacture of agricultural and forestry machinery	27	3	-	-	27	0	-	-	27	3	-	-
101	C28.91-Manufacture of machinery for metallurgy	2	0	-	-	2	0	-	-	2	0	-	-
102	C28.93-Manufacture of machines for the food industry	1	0	-	-	1	0	-	-	1	0	-	-
103	C28.99-Manufacture of other special-purpose machinery n.e.c.	2	0	-	-	2	0	-	-	2	0	-	-
104	C29.10-Manufacture of motor vehicles	465	7	-	-	465	0	-	-	465	7	-	-
105	C29.20-Manufacture of bodies and trailers	5	1	-	-	5	0	-	-	5	1	-	-
106	C29.31-Manufacture of electrical and electronic equipment for motor vehicles	8	0	-	-	8	0	-	-	8	0	-	-
107	C29.32-Manufacture of other automotive equipment	64	2	-	-	64	0	-	-	64	2	-	-
108	C30.11-Construction of ships and floating structures	19	0	-	-	19	0	-	-	19	0	-	-
109	C30.12-Construction of pleasure craft	10	3	-	-	10	0	-	-	10	3	-	-
110	C30.20-Construction of locomotives and other railway rolling stock	42	24	-	-	42	0	-	-	42	24	-	-
111	C30.30-Aerospace construction	342	0	-	-	342	0	-	-	342	0	-	-
112	C32.11-Coinage	5	0	-	-	5	0	-	-	5	0	-	-
113	C32.12-Manufacture of jewelry items	1	0	-	-	1	0	-	-	1	0	-	-
114	C32.50-Manufacture of medical and dental instruments and supplies	8	0	-	-	8	0	-	-	8	0	-	-
115	C32.91-Manufacture of brush-making items	1	0	-	-	1	0	-	-	1	0	-	-
116	C32.99-Other manufacturing activities n.e.c.	45	0	-	-	45	0	-	-	45	0	-	-
117	C33.11-Repair of fabricated metal products	1	0	-	-	1	0	-	-	1	0	-	-
118	C.33.12-Repair and maintenance of machinery	1	0	-	-	1	0	-	-	1	0	-	-
119	C33.16-Repair and maintenance of aircraft and space vehicles	194	0	-	-	194	0	-	-	194	0	-	-
120	C33.20-Installation of industrial machinery and equipment	7	1	-	-	7	0	-	-	7	1	-	-
121	D35.11-Electricity production	177	3	-	-	177	0	-	-	177	3	-	-
122	D35.12-Transmission of electricity	7	2	-	-	7	0	-	-	7	2	-	-
123	D35.13-Distribution of electricity	123	41	-	-	123	0	-	-	123	41	-	-
124	D35.14-Trade in electricity	3	0	-	-	3	0	-	-	3	0	-	-
125	D35.21-Production of gaseous fuels	8	0	-	-	8	0	-	-	8	0	-	-
126	D35.22-Distribution of gaseous fuels through mains	14	0	-	-	14	0	-	-	14	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM +CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
127	D35.23-Trade of gas through mains	15	0	-	-	15	0	-	-	15	0	-	-
128	D35.30-Production and distribution of steam and air conditioning	22	3	-	-	22	0	-	-	22	3	-	-
129	E36.00-Water collection, treatment and distribution	68	21	-	-	68	0	-	-	68	21	-	-
130	E37.00-Wastewater collection and treatment	15	5	-	-	15	0	-	-	15	5	-	-
131	E38.11-Collection of non-hazardous waste	57	3	-	-	57	0	-	-	57	3	-	-
132	E38.12-Hazardous waste collection	1	0	-	-	1	0	-	-	1	0	-	-
133	E38.21-Treatment and disposal of non-hazardous waste	5	1	-	-	5	0	-	-	5	1	-	-
134	E38.22-Treatment and disposal of hazardous waste	7	1	-	-	7	0	-	-	7	1	-	-
135	E38.31-Dismantling of wrecks	6	0	-	-	6	0	-	-	6	0	-	-
136	E38.32-Recovery of sorted waste	39	1	-	-	39	0	-	-	39	1	-	-
137	E39.00-Decontamination and other waste management services	2	0	-	-	2	0	-	-	2	0	-	-
138	F41.10-Legal program documents	323	64	-	-	323	0	-	-	323	64	-	-
139	F41.20-Construction of residential and non-residential buildings	80	9	-	-	80	0	-	-	80	9	-	-
140	F42.11-Road and motorway construction	147	17	-	-	147	0	-	-	147	17	-	-
141	F42.12-Construction of surface and underground railways	64	7	-	-	64	0	-	-	64	7	-	-
142	F42.13-Construction of bridges and tunnels	2	0	-	-	2	0	-	-	2	0	-	-
143	F42.21-Construction of networks for fluids	20	5	-	-	20	0	-	-	20	5	-	-
144	F42.22-Construction of electricity and telecommunications networks	80	10	-	-	80	0	-	-	80	10	-	-
145	F42.91-Construction of maritime and river structures	2	0	-	-	2	0	-	-	2	0	-	-
146	F42.99-Construction of other civil engineering works n.e.c.	19	1	-	-	19	0	-	-	19	1	-	-
147	F43.11-Demolition work	31	0	-	-	31	0	-	-	31	0	-	-
148	F43.12-Site preparation work	6	1	-	-	6	0	-	-	6	1	-	-
149	F43.21-Electrical installation	116	14	-	-	116	0	-	-	116	14	-	-
150	F43.22-Plumbing, heating and air-conditioning installation	22	2	-	-	22	0	-	-	22	2	-	-
151	F43.29-Other installation work	6	1	-	-	6	0	-	-	6	1	-	-
152	F43.32-Joinery work	18	2	-	-	18	0	-	-	18	2	-	-
153	F43.99-Sealing work	21	3	-	-	21	0	-	-	21	3	-	-
154	G45.11-Sale of cars and light motor vehicles	239	1	-	-	239	0	-	-	239	1	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM +CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
155	G45.19-Sale of other motor vehicles	13	0	-	-	13	0	-	-	13	0	-	-
156	G45.31-Wholesale of automotive equipment	3	0	-	-	3	0	-	-	3	0	-	-
157	G45.32-Retail sale of automotive equipment	5	0	-	-	5	0	-	-	5	0	-	-
158	G46.11-Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods	28	0	-	-	28	0	-	-	28	0	-	-
159	G46.12-Agents involved in the sale of fuels, metals, minerals and chemical products	17	0	-	-	17	0	-	-	17	0	-	-
160	G46.17-Intermediaries involved in the sale of food, beverages and tobacco	1	0	-	-	1	0	-	-	1	0	-	-
161	G46.18-Activities of agents involved in the wholesale of other particular products	1	0	-	-	1	0	-	-	1	0	-	-
162	G46.19-Agents involved in the sale of miscellaneous products	31	0	-	-	31	0	-	-	31	0	-	-
163	G46.21-Wholesale of cereals, non-manufactured tobacco, seeds and animal feed	5	0	-	-	5	0	-	-	5	0	-	-
164	G46.31-Wholesale of fruit and vegetables	2	0	-	-	2	0	-	-	2	0	-	-
165	G46.33-Wholesale of dairy products, eggs, edible oils and fats	7	0	-	-	7	0	-	-	7	0	-	-
166	G46.34-Wholesale of beverages	19	0	-	-	19	0	-	-	19	0	-	-
167	G46.36-Wholesale of sugar, chocolate and confectionery	1	0	-	-	1	0	-	-	1	0	-	-
168	G46.38-Wholesale of other food products, including fish, crustaceans and shellfish	2	0	-	-	2	0	-	-	2	0	-	-
169	G46.39-Non-specialized wholesale of food, beverages and tobacco	31	0	-	-	31	0	-	-	31	0	-	-
170	G46.42-Wholesale of clothing and footwear	2	0	-	-	2	0	-	-	2	0	-	-
171	G46.43-Wholesale of electrical household appliances	1	0	-	-	1	0	-	-	1	0	-	-
172	G46.45-Wholesale of perfumes and cosmetics	21	0	-	-	21	0	-	-	21	0	-	-
173	G46.46-Wholesale of pharmaceutical products	4	0	-	-	4	0	-	-	4	0	-	-
174	G46.49-Wholesale of other household goods	11	0	-	-	11	0	-	-	11	0	-	-
175	G46.51-Wholesale of computers, computer peripheral equipment and software	13	0	-	-	13	0	-	-	13	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM +CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
176	G46.52-Wholesale of electronic and telecommunication components and equipment	2	0	-	-	2	0	-	-	2	0	-	-
177	G46.61-Wholesale of agricultural equipment	1	0	-	-	1	0	-	-	1	0	-	-
178	G46.63-Wholesale of mining, construction and civil engineering machinery	2	0	-	-	2	0	-	-	2	0	-	-
179	G46.69-Wholesale of other machinery and equipment	206	1	-	-	206	0	-	-	206	1	-	-
180	G46.71-Wholesale of fuel and related products	171	4	-	-	171	0	-	-	171	4	-	-
181	G46.72-Wholesale of minerals and metals	46	1	-	-	46	0	-	-	46	1	-	-
182	G46.73-Wholesale of timber, construction materials and sanitary equipment	157	0	-	-	157	0	-	-	157	0	-	-
183	G46.74-Wholesale of hardware, plumbing and heating supplies	2	0	-	-	2	0	-	-	2	0	-	-
184	G46.75-Wholesale of chemical products	2	0	-	-	2	0	-	-	2	0	-	-
185	G46.76-Wholesale of other intermediate products	25	0	-	-	25	0	-	-	25	0	-	-
186	G46.77-Wholesale of waste and scrap	13	0	-	-	13	0	-	-	13	0	-	-
187	G46.90-Non-specialized wholesale trade	13	1	-	-	13	0	-	-	13	1	-	-
188	G47.11-Retail sale in non-specialized stores, predominantly food	324	0	-	-	324	0	-	-	324	0	-	-
189	G47.29-Other retail sale of food in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
190	G47.30-Retail sale of fuel in specialized stores	2	0	-	-	2	0	-	-	2	0	-	-
191	G47.41-Retail sale of computers, peripheral units and software in specialized stores	5	0	-	-	5	0	-	-	5	0	-	-
192	G47.42-Retail sale of telecommunications equipment in specialized stores	6	0	-	-	6	0	-	-	6	0	-	-
193	G47.52-Retail sale of hardware, paints and glass in specialized stores	2	0	-	-	2	0	-	-	2	0	-	-
194	G47.54-Retail sale of household appliances in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
195	G47.59-Retail sale of furniture, lighting equipment and other household items in specialized stores	17	0	-	-	17	0	-	-	17	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM +CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
196	G47.62-Retail sale of newspapers and stationery in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
197	G47.64-Retail sale of sporting goods in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
198	G47.71-Retail sale of clothing in specialized stores	3	0	-	-	3	0	-	-	3	0	-	-
199	G47.72-Retail sale of footwear and leather goods in specialized stores	7	0	-	-	7	0	-	-	7	0	-	-
200	G47.73-Retail sale of pharmaceutical products in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
201	G47.75-Retail sale of perfume and beauty products in specialized stores	2	0	-	-	2	0	-	-	2	0	-	-
202	G47.76-Retail sale of flowers, plants, seeds, fertilizers, pets and pet food in specialized stores	34	0	-	-	34	0	-	-	34	0	-	-
203	G47.78-Other retail sale of new goods in specialized stores	3	0	-	-	3	0	-	-	3	0	-	-
204	G47.91-Distance selling	6	0	-	-	6	0	-	-	6	0	-	-
205	H49.10-Intercity passenger rail transport	51	0	-	-	51	0	-	-	51	0	-	-
206	H49.31-Urban and suburban passenger transport	35	0	-	-	35	0	-	-	35	0	-	-
207	H49.39-Scheduled passenger transport by road	34	0	-	-	34	0	-	-	34	0	-	-
208	H49.41-Freight transport by road	49	1	-	-	49	0	-	-	49	1	-	-
209	H49.50-Pipeline transport	6	0	-	-	6	0	-	-	6	0	-	-
210	H50.10-Maritime and coastal passenger transport	16	1	-	-	16	0	-	-	16	1	-	-
211	H50.20-Maritime and coastal freight transport	96	10	-	-	96	0	-	-	96	10	-	-
212	H51.10-Passenger air transport	73	2	-	-	73	0	-	-	73	2	-	-
213	H52.10-Warehousing and storage	111	6	-	-	111	0	-	-	111	6	-	-
214	H.52.21-Service activities incidental to land transportation	5	1	-	-	5	0	-	-	5	1	-	-
215	H.52.23-Service activities incidental to air transportation	30	2	-	-	30	0	-	-	30	2	-	-
216	H.52.29-Other services incidental to transportation	41	1	-	-	41	0	-	-	41	1	-	-
217	H53.10-Postal activities under a universal service obligation	2	0	-	-	2	0	-	-	2	0	-	-
218	I55.10-Hotels and similar accommodation	28	0	-	-	28	0	-	-	28	0	-	-
219	I55.20-Tourist accommodation and other short-term accommodation	4	0	-	-	4	0	-	-	4	0	-	-
220	I56.10-Restaurants and mobile food services	1	0	-	-	1	0	-	-	1	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM +CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
221	I56.21-Catering services	12	3	-	-	12	0	-	-	12	3	-	-
222	I56.29-Other food services	5	0	-	-	5	0	-	-	5	0	-	-
223	J58.11-Book publishing	23	0	-	-	23	0	-	-	23	0	-	-
224	J58.13-Newspaper publishing	3	0	-	-	3	0	-	-	3	0	-	-
225	J58.14-Publishing of magazines and periodicals	7	0	-	-	7	0	-	-	7	0	-	-
226	J58.29-Publishing of other software	24	0	-	-	24	0	-	-	24	0	-	-
227	J59.11-Motion picture, video and television program production	1	0	-	-	1	0	-	-	1	0	-	-
228	J60.20-Television programming and broadcasting	8	0	-	-	8	0	-	-	8	0	-	-
229	J61.10-Fixed-line telecommunications	359	0	-	-	359	0	-	-	359	0	-	-
230	J61.20-Wireless telecommunications	49	2	-	-	49	0	-	-	49	2	-	-
231	J61.30-Satellite telecommunications	3	0	-	-	3	0	-	-	3	0	-	-
232	J61.90-Other telecommunication activities	9	0	-	-	9	0	-	-	9	0	-	-
233	J62.01-Computer programming	32	0	-	-	32	0	-	-	32	0	-	-
234	J62.02-IT consulting	187	3	-	-	187	0	-	-	187	3		
235	J62.03-Management of IT facilities	43	0	-	-	43	0	-	-	43	0	-	-
236	J62.09-Other IT activities	15	0	-	-	15	0	-	-	15	0	-	-
237	J63.11-Data processing, hosting and related activities	11	0	-	-	11	0	-	-	11	0	-	-
238	J63.12-Internet portals	1	0	-	-	1	0	-	-	1	0	-	-
239	K64.20-Activities of holding companies	2 111	41	-	-	2 111	0	-	-	2 111	41	-	-
240	L68.10-Activities of real estate dealers	85	0	-	-	85	0	-	-	85	0	-	-
241	L68.20-Lease of land and other immovable property	1 287	109	-	-	1 287	0	-	-	1 287	109	-	-
242	L68.31-Real estate agencies	63	0	-	-	63	0	-	-	63	0	-	-
243	L68.32-Administration of buildings and other immovable property	44	0	-	-	44	0	-	-	44	0	-	-
244	M70.10-Activities of head offices	3 440	158	-	-	3 440	0	-	-	3 440	158	-	-
245	M70.22-Business and other management consultancy	621	10	-	-	621	0	-	-	621	10	-	-
246	M71.11-Architectural activities	2	0	-	-	2	0	-	-	2	0	-	-
247	M71.12-Engineering activities	108	32	-	-	108	0	-	-	108	32	-	-
248	M71.20-Motor vehicle technical inspection	23	0	-	-	23	0	-	-	23	0	-	-
249	M72.11-Research and development in biotechnology	19	0	-	-	19	0	-	-	19	0	-	-
250	M72.19-Research and development in other physical and natural sciences	1	0	-	-	1	0	-	-	1	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM +CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
251	M72.20-Research and development in humanities and social sciences	4	0	-	-	4	0	-	-	4	0	-	-
252	M73.11-Activities of advertising agencies	54	0	-	-	54	0	-	-	54	0	-	-
253	M73.12-Media advertising agency	6	2	-	-	6	0	-	-	6	2	-	-
254	M73.20-Market research and surveys	1	0	-	-	1	0	-	-	1	0	-	-
255	M74.90-Other professional, scientific and technical activities n.e.c.	37	10	-	-	37	0	-	-	37	10	-	-
256	M75.00-Veterinary activities	3	0	-	-	3	0	-	-	3	0	-	-
257	N77.11-Car and light motor vehicle rental and leasing	347	31	-	-	347	0	-	-	347	31	-	-
258	N77.12-Truck rental and leasing	7	0	-	-	7	0	-	-	7	0	-	-
259	N77.21-Rental and leasing of leisure and sporting goods	11	3	-	-	11	0	-	-	11	3	-	-
260	N77.29-Rental and leasing of other personal and household goods	1	0	-	-	1	0	-	-	1	0	-	-
261	N77.32-Rental and leasing of construction machinery and equipment	6	1	-	-	6	0	-	-	6	1	-	-
262	N77.34-Rental and leasing of water transport equipment	20	0	-	-	20	0	-	-	20	0	-	-
263	N77.35-Rental and leasing of air transport equipment	303	0	-	-	303	0	-	-	303	0	-	-
264	N77.39-Rental and leasing of other machinery, equipment and physical assets n.e.c.	199	0	-	-	199	0	-	-	199	0	-	-
265	N78.20-Temporary employment agency activities	1	0	-	-	1	0	-	-	1	0	-	-
266	N79.11-Travel agency activities	1	0	-	-	1	0	-	-	1	0	-	-
267	N79.12-Tour operator activities	41	0	-	-	41	0	-	-	41	0	-	-
268	N80.10-Private security activities	69	0	-	-	69	0	-	-	69	0	-	-
269	N81.10-Combined support activities for buildings	1	0	-	-	1	0	-	-	1	0	-	-
270	N81.21-Routine cleaning of buildings	5	0	-	-	5	0	-	-	5	0	-	-
271	N81.29-Other cleaning activities	1	0	-	-	1	0	-	-	1	0	-	-
272	N82.11-Combined office administrative services	58	1	-	-	58	0	-	-	58	1	-	-
273	N82.20-Call center activities	14	0	-	-	14	0	-	-	14	0	-	-
274	N82.30-Organization of trade fairs and conventions	30	1	-	-	30	0	-	-	30	1	-	-
275	N82.92-Packaging activities	4	0	-	-	4	0	-	-	4	0	-	-
276	N82.99-Other business support activities n.e.c.	17	0	-	-	17	0	-	-	17	0	-	-

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		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
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277	O84.11 - General public administration	19	0	-	-	19	0	-	-	19	0	-	-
278	O84.23-Justice	1	0	-	-	1	0	-	-	1	0	-	-
279	P85.59-Miscellaneous information	1	0	-	-	1	0	-	-	1	0	-	-
280	Q86.10-Hospital activities	2	0	-	-	2	0	-	-	2	0	-	-
281	Q86.90-Other human health activities	3	0	-	-	3	0	-	-	3	0	-	-
282	Q87.10-Residential care for the elderly	2	0	-	-	2	0	-	-	2	0	-	-
283	Q87.30-Social housing for the elderly or physically disabled	41	0	-	-	41	0	-	-	41	0	-	-
284	R90.01-Performing arts	2	0	-	-	2	0	-	-	2	0	-	-
285	R90.03-Artistic creation	1	0	-	-	1	0	-	-	1	0	-	-
286	R91.02-Museum management	3	0	-	-	3	0	-	-	3	0	-	-
287	R92.00-Organization of games of chance	20	0	-	-	20	0	-	-	20	0	-	-
288	R93.11-Management of sports facilities	2	0	-	-	2	0	-	-	2	0	-	-
289	R93.12-Sports club activities	2	0	-	-	2	0	-	-	2	0	-	-
290	R93.21-Activities of amusement parks and theme parks	3	0	-	-	3	0	-	-	3	0	-	-
291	S94.12-Activities of professional organizations	85	0	-	-	85	0	-	-	85	0	-	-
292	S94.20-Activities of trade unions	1	0	-	-	1	0	-	-	1	0	-	-
293	S95.11-Repair of computers and peripheral equipment	1	0	-	-	1	0	-	-	1	0	-	-
294	S96.02-Hairstyling and beauty treatments	1	0	-	-	1	0	-	-	1	0	-	-
295	S96.04-Body maintenance	9	0	-	-	9	0	-	-	9	0	-	-
296	U99.00-Activities of extraterritorial organizations and bodies	30	0	-	-	30	0	-	-	30	0	-	-

Presentation based on capital expenditure (Capex) of counterparties

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
1	A01.11-Growing of cereals (except paddy), legumes and oilseeds	36	0	-	-	36	0	-	-	36	0		
2	A01.13-Growing of vegetables, melons, roots and tubers	3	0	-	-	3	0	-	-	3	0	-	-
3	A01.21-Grapevine culture	20	0	-	-	20	0	-	-	20	0	-	-
4	A01.45-Sheep and goat farming	1	0	-	-	1	0	-	-	1	0	-	-
5	A01.49-Raising of other animals	1	0	-	-	1	0	-	-	1	0	-	-
6	A02.20-Logging	1	0	-	-	1	0	-	-	1	0	-	-
7	B08.11-Quarrying of ornamental and construction stone, industrial limestone, gypsum, chalk and slate	2	0	-	-	2	0	-	-	2	0	-	-
8	B08.12-Operation of gravel and sand pits, extraction of clays and kaolin	16	1	-	-	16	0	-	-	16	1	-	-
9	B08.99-Other mining activities n.e.c.	1	0	-	-	1	0	-	-	1	0	-	-
10	B09.10-Support activities for hydrocarbon extraction	76	0	-	-	76	0	-	-	76	0	-	-
11	B09.90-Support services to other extractive industries	3	0	-	-	3	0	-	-	3	0	-	-
12	C10.12-Poultry meat processing and preservation	9	0	-	-	9	0	-	-	9	0	-	-
13	C10.39-Other processing and preserving of fruit and vegetables	3	0	-	-	3	0	-	-	3	0	-	-
14	C10.51-Operation of dairies and cheese production	8	0	-	-	8	0	-	-	8	0	-	-
15	C10.61-Grain processing	5	0	-	-	5	0	-	-	5	0	-	-
16	C10.71-Manufacture of bread and fresh pastries	5	0	-	-	5	0	-	-	5	0	-	-
17	C10.72-Manufacture of preserving cookies, rusks and pastries	1	0	-	-	1	0	-	-	1	0	-	-
18	C10.73-Manufacture of pasta	1	0	-	-	1	0	-	-	1	0	-	-
19	C.10.81-Manufacture of sugar	1	0	-	-	1	0	-	-	1	0	-	-
20	C10.82-Manufacture of cocoa, chocolate and confectionery products	1	0	-	-	1	0	-	-	1	0	-	-
21	C10.85-Manufacture of prepared meals	10	0	-	-	10	0	-	-	10	0	-	-
22	C10.86-Manufacture of homogenized and dietetic foods	2	0	-	-	2	0	-	-	2	0	-	-
23	C10.89-Manufacture of other food products n.e.c.	4	0	-	-	4	0	-	-	4	0	-	-
24	C11.01-Production of distilled alcoholic beverages	27	0	-	-	27	0	-	-	27	0	-	-
25	C11.02-Wine production (of grapes)	83	0	-	-	83	0	-	-	83	0	-	-
26	C.11.05-Manufacture of beer	5	0	-	-	5	0	-	-	5	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
27	C11.07-Mineral water and other bottled water and soft drinks industry	1	0	-	-	1	0	-	-	1	0	-	-
28	C13.92-Manufacture of textile articles, except clothing	1	0	-	-	1	0	-	-	1	0	-	-
29	C13.96-Manufacture of other technical and industrial textiles	2	0	-	-	2	0	-	-	2	0	-	-
30	C15.11-Leather finishing and tanning; fur preparation and dyeing	17	0	-	-	17	0	-	-	17	0	-	-
31	C15.12-Manufacture of travel goods, leather goods and saddlery	3	0	-	-	3	0	-	-	3	0	-	-
32	C16.23-Manufacture of frames and other joinery	2	0	-	-	2	0	-	-	2	0	-	-
33	C.16.24-Manufacture of wooden containers	35	0	-	-	35	0	-	-	35	0	-	-
34	C17.12-Manufacture of paper and paperboard	1	0	-	-	1	0	-	-	1	0	-	-
35	C17.21-Manufacture of corrugated paper and paperboard and of packaging of paper or paperboard	4	0	-	-	4	0	-	-	4	0	-	-
36	C18.12-Other printing (commercial)	1	0	-	-	1	0	-	-	1	0	-	-
37	C19.20-Reproduction of recordings	12	2	-	-	12	0	-	-	12	2	-	-
38	C20.11-Manufacture of industrial gases	131	0	-	-	131	0	-	-	131	0	-	-
39	C20.14-Manufacture of other basic organic chemicals	3	0	-	-	3	0	-	-	3	0	-	-
40	C20.15-Manufacture of nitrogenous products and fertilizers	1	0	-	-	1	0	-	-	1	0	-	-
41	C20.16-Manufacture of basic plastics	1	0	-	-	1	0	-	-	1	0	-	-
42	C20.20-Manufacture of pesticides and other agrochemicals	1	0	-	-	1	0	-	-	1	0	-	-
43	C20.41-Manufacture of soaps, detergents and cleaning products	12	0	-	-	12	0	-	-	12	0	-	-
44	C20.42-Manufacture of perfumes and toilet preparations	86	5	-	-	86	0	-	-	86	5	-	-
45	C20.53-Manufacture of essential oils	55	0	-	-	55	0	-	-	55	0	-	-
46	C20.59-Manufacture of other chemical products n.e.c.	4	0	-	-	4	0	-	-	4	0	-	-
47	C.21.10-Manufacture of basic pharmaceutical products	15	0	-	-	15	0	-	-	15	0	-	-
48	C21.20-Manufacture of pharmaceutical preparations	94	0	-	-	94	0	-	-	94	0	-	-
49	C22.11-Manufacturing and retreading of tires	8	0	-	-	8	0	-	-	8	0	-	-
50	C22.19-Manufacture of other rubber products	2	0	-	-	2	0	-	-	2	0	-	-
51	C22.21-Manufacture of plastic plates, sheets, tubes and profiles	2	0	-	-	2	0	-	-	2	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
52	C22.22-Manufacture of plastic packaging	1	0	-	-	1	0	-	-	1	0	-	-
53	C22.23-Manufacture of plastic parts for construction	8	0	-	-	8	0	-	-	8	0	-	-
54	C22.29-Manufacture of other plastic products	79	3	-	-	79	0	-	-	79	3	-	-
55	C23.11-Manufacture of flat glass	2	0	-	-	2	0	-	-	2	0	-	-
56	C23.12-Shaping and processing of flat glass	1	0	-	-	1	0	-	-	1	0	-	-
57	C23.19-Manufacture and processing of other glass articles, including technical glass	19	0	-	-	19	0	-	-	19	0	-	-
58	C23.20-Manufacture of refractory products	1	0	-	-	1	0	-	-	1	0	-	-
59	C23.32-Manufacture of bricks, tiles and construction products, in baked clay	14	0	-	-	14	0	-	-	14	0	-	-
60	C.23.51-Manufacture of cement	5	0	-	-	5	0	-	-	5	0	-	-
61	C23.61-Manufacture of concrete products for construction purposes	1	0	-	-	1	0	-	-	1	0	-	-
62	C23.62-Manufacture of plaster products for construction purposes	1	0	-	-	1	0	-	-	1	0	-	-
63	C23.63-Manufacture of ready-mixed concrete	10	1	-	-	10	0	-	-	10	1	-	-
64	C23.64-Manufacture of dry mortars and concrete	2	0	-	-	2	0	-	-	2	0	-	-
65	C23.99-Manufacture of other non-metallic mineral products n.e.c.	28	2	-	-	28	0	-	-	28	2	-	-
66	C24.10-Steel industry	22	1			22	0			22	1		
67	C24.20-Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	2	0	-	-	2	0	-	-	2	0	-	-
68	C24.33-Cold roll forming or bending	1	0	-	-	1	0	-	-	1	0	-	-
69	C24.43-Lead, zinc or tin metallurgy	2	1	-	-	2	0	-	-	2	1	-	-
70	C24.45-Metallurgy of other non-ferrous metals	4	0	-	-	4	0	-	-	4	0	-	-
71	C24.51-Cast iron foundry	3	0	-	-	3	0	-	-	3	0	-	-
72	C25.11-Manufacture of metal structures and parts of structures	1	0	-	-	1	0	-	-	1	0	-	-
73	C25.12-Manufacture of metal doors and windows	5	0	-	-	5	0	-	-	5	0	-	-
74	C25.50-Forging, stamping, stamping; powder metallurgy	14	0	-	-	14	0	-	-	14	0	-	-
75	C25.62-Manufacture of locks and hinges	60	0	-	-	60	0	-	-	60	0	-	-
76	C25.72-Manufacture of locks and hardware	1	0	-	-	1	0	-	-	1	0	-	-
77	C25.94-Manufacture of fasteners and screw machine products	1	0	-	-	1	0	-	-	1	0	-	-
78	C25.99-Manufacture of other metal products n.e.c.	6	0	-	-	6	0	-	-	6	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
79	C26.11-Manufacture of electrical components	46	0	-	-	46	0	-	-	46	0	-	-
80	C26.12-Manufacture of assembled electronic boards	5	0	-	-	5	0	-	-	5	0	-	-
81	C26.20-Manufacture of computers and peripheral equipment	19	0	-	-	19	0	-	-	19	0	-	-
82	C26.30-Manufacture of communication equipment	10	0	-	-	10	0	-	-	10	0	-	-
83	C26.51-Manufacture of instruments and appliances for measuring, testing and navigation	53	1	-	-	53	0	-	-	53	1	-	-
84	C26.60-Manufacture of medical irradiation, electromedical and electrotherapeutic equipment	1	0	-	-	1	0	-	-	1	0	-	-
85	C26.70-Manufacture of optical and photographic equipment	4	0	-	-	4	0	-	-	4	0	-	-
86	C27.11-Manufacture of electric motors, generators and transformers	30	4	-	-	30	0	-	-	30	4	-	-
87	C27.12-Manufacture of electrical distribution and control equipment	15	4	-	-	15	0	-	-	15	4	-	-
88	C27.20-Manufacture of primary batteries and accumulators	3	0	-	-	3	0	-	-	3	0	-	-
89	C27.32-Manufacture of other electronic or electric wires and cables	2	1	-	-	2	0	-	-	2	1	-	-
90	C27.33-Manufacture of electrical installation equipment	2	0	-	-	2	0	-	-	2	0	-	-
91	C27.40-Manufacture of electric lighting fixtures	1	1	-	-	1	0	-	-	1	1	-	-
92	C27.51-Manufacture of household appliances	1	0	-	-	1	0	-	-	1	0	-	-
93	C27.90-Manufacture of other electrical equipment	12	0	-	-	12	0	-	-	12	0	-	-
94	C28.11-Manufacture of engines and turbines, except aircraft and vehicle engines	56	12	-	-	56	0	-	-	56	12	-	-
95	C28.13-Manufacture of other pumps and compressors	16	0	-	-	16	0	-	-	16	0	-	-
96	C28.15-Manufacture of gears and mechanical transmission components	1	0	-	-	1	0	-	-	1	0	-	-
97	C28.22-Manufacture of lifting and handling equipment	125	9	-	-	125	0	-	-	125	9	-	-
98	C28.25-Manufacture of industrial ventilation and refrigeration equipment	9	0	-	-	9	0	-	-	9	0	-	-
99	C28.29-Manufacture of miscellaneous general-purpose machinery	30	0	-	-	30	0	-	-	30	0	-	-
100	C28.30-Manufacture of agricultural and forestry machinery	27	6	-	-	27	0	-	-	27	6	-	-
101	C28.91-Manufacture of machinery for metallurgy	2	0	-	-	2	0	-	-	2	0	-	-
102	C28.93-Manufacture of machines for the food industry	1	0	-	-	1	0	-	-	1	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
103	C28.99-Manufacture of other special-purpose machinery n.e.c.	2	0	-	-	2	0	-	-	2	0	-	-
104	C29.10-Manufacture of motor vehicles	465	39	-	-	465	0	-	-	465	39	-	-
105	C29.20-Manufacture of bodies and trailers	5	1	-	-	5	0	-	-	5	1	-	-
106	C29.31-Manufacture of electrical and electronic equipment for motor vehicles	8	0	-	-	8	0	-	-	8	0	-	-
107	C29.32-Manufacture of other automotive equipment	64	4	-	-	64	0	-	-	64	4		
108	C30.11-Construction of ships and floating structures	19	0	-	-	19	0	-	-	19	0	-	-
109	C30.12-Construction of pleasure craft	10	1	-	-	10	0	-	-	10	1	-	-
110	C30.20-Construction of locomotives and other railway rolling stock	42	22	-	-	42	0	-	-	42	22	-	-
111	C30.30-Aerospace construction	342	2	-	-	342	0	-	-	342	2	-	-
112	C32.11-Coinage	5	0	-	-	5	0	-	-	5	0	-	-
113	C32.12-Manufacture of jewelry items	1	0	-	-	1	0	-	-	1	0	-	-
114	C32.50-Manufacture of medical and dental instruments and supplies	8	0	-	-	8	0	-	-	8	0	-	-
115	C32.91-Manufacture of brush-making items	1	0	-	-	1	0	-	-	1	0	-	-
116	C32.99-Other manufacturing activities n.e.c.	45	0	-	-	45	0	-	-	45	0	-	-
117	C33.11-Repair of fabricated metal products	1	0	-	-	1	0	-	-	1	0	-	-
118	C.33.12-Repair and maintenance of machinery	1	0	-	-	1	0	-	-	1	0	-	-
119	C33.16-Repair and maintenance of aircraft and space vehicles	194	4	-	-	194	0	-	-	194	4	-	-
120	C33.20-Installation of industrial machinery and equipment	7	1	-	-	7	0	-	-	7	1	-	-
121	D35.11-Electricity production	177	14	-	-	177	0	-	-	177	14	-	-
122	D35.12-Transmission of electricity	7	5	-	-	7	0	-	-	7	5	-	-
123	D35.13-Distribution of electricity	123	78	-	-	123	0	-	-	123	78	-	-
124	D35.14-Trade in electricity	3	1	-	-	3	0	-	-	3	1	-	-
125	D35.21-Production of gaseous fuels	8	0	-	-	8	0	-	-	8	0	-	-
126	D35.22-Distribution of gaseous fuels through mains	14	0	-	-	14	0	-	-	14	0	-	-
127	D35.23-Trade of gas through mains	15	0	-	-	15	0	-	-	15	0	-	-
128	D35.30-Production and distribution of steam and air conditioning	22	5	-	-	22	0	-	-	22	5	-	-
129	E36.00-Water collection, treatment and distribution	68	6	-	-	68	0	-	-	68	6	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
130	E37.00-Wastewater collection and treatment	15	2	-	-	15	0	-	-	15	2	-	-
131	E38.11-Collection of non-hazardous waste	57	2	-	-	57	0	-	-	57	2	-	-
132	E38.12-Hazardous waste collection	1	0	-	-	1	0	-	-	1	0	-	-
133	E38.21-Treatment and disposal of non-hazardous waste	5	0	-	-	5	0	-	-	5	0	-	-
134	E38.22-Treatment and disposal of hazardous waste	7	0	-	-	7	0	-	-	7	0	-	-
135	E38.31-Dismantling of wrecks	6	0	-	-	6	0	-	-	6	0	-	-
136	E38.32-Recovery of sorted waste	39	0	-	-	39	0	-	-	39	0	-	-
137	E39.00-Decontamination and other waste management services	2	0	-	-	2	0	-	-	2	0	-	-
138	F41.10-Legal program documents	323	116	-	-	323	0	-	-	323	116	-	-
139	F41.20-Construction of residential and non-residential buildings	80	8	-	-	80	0	-	-	80	8	-	-
140	F42.11-Road and motorway construction	147	7	-	-	147	0	-	-	147	7	-	-
141	F42.12-Construction of surface and underground railways	64	8	-	-	64	0	-	-	64	8	-	-
142	F42.13-Construction of bridges and tunnels	2	0	-	-	2	0	-	-	2	0	-	-
143	F42.21-Construction of networks for fluids	20	2	-	-	20	0	-	-	20	2	-	-
144	F42.22-Construction of electricity and telecommunications networks	80	4	-	-	80	0	-	-	80	4	-	-
145	F42.91-Construction of maritime and river structures	2	0	-	-	2	0	-	-	2	0	-	-
146	F42.99-Construction of other civil engineering works n.e.c.	19	1	-	-	19	0	-	-	19	1	-	-
147	F43.11-Demolition work	31	0	-	-	31	0	-	-	31	0	-	-
148	F43.12-Site preparation work	6	1	-	-	6	0	-	-	6	1	-	-
149	F43.21-Electrical installation	116	10	-	-	116	0	-	-	116	10	-	-
150	F43.22-Plumbing, heating and air-conditioning installation	22	1	-	-	22	0	-	-	22	1	-	-
151	F43.29-Other installation work	6	2	-	-	6	0	-	-	6	2	-	-
152	F43.32-Joinery work	18	2	-	-	18	0	-	-	18	2	-	-
153	F43.99-Sealing work	21	3	-	-	21	0	-	-	21	3	-	-
154	G45.11-Sale of cars and light motor vehicles	239	17	-	-	239	0	-	-	239	17	-	-
155	G45.19-Sale of other motor vehicles	13	0	-	-	13	0	-	-	13	0	-	-
156	G45.31-Wholesale of automotive equipment	3	0	-	-	3	0	-	-	3	0	-	-
157	G45.32-Retail sale of automotive equipment	5	0	-	-	5	0	-	-	5	0	-	-

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
158	G46.11-Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods	28	0	-	-	28	0	-	-	28	0	-	-
159	G46.12-Agents involved in the sale of fuels, metals, minerals and chemical products	17	0	-	-	17	0	-	-	17	0	-	-
160	G46.17-Intermediaries involved in the sale of food, beverages and tobacco	1	0	-	-	1	0	-	-	1	0	-	-
161	G46.18-Activities of agents involved in the wholesale of other particular products	1	0	-	-	1	0	-	-	1	0	-	-
162	G46.19-Agents involved in the sale of miscellaneous products	31	1	-	-	31	0	-	-	31	1	-	-
163	G46.21-Wholesale of cereals, non-manufactured tobacco, seeds and animal feed	5	0	-	-	5	0	-	-	5	0	-	-
164	G46.31-Wholesale of fruit and vegetables	2	0	-	-	2	0	-	-	2	0	-	-
165	G46.33-Wholesale of dairy products, eggs, edible oils and fats	7	0	-	-	7	0	-	-	7	0	-	-
166	G46.34-Wholesale of beverages	19	0	-	-	19	0	-	-	19	0	-	-
167	G46.36-Wholesale of sugar, chocolate and confectionery	1	0	-	-	1	0	-	-	1	0	-	-
168	G46.38-Wholesale of other food products, including fish, crustaceans and shellfish	2	0	-	-	2	0	-	-	2	0	-	-
169	G46.39-Non-specialized wholesale of food, beverages and tobacco	31	0	-	-	31	0	-	-	31	0	-	-
170	G46.42-Wholesale of clothing and footwear	2	0	-	-	2	0	-	-	2	0	-	-
171	G46.43-Wholesale of electrical household appliances	1	0	-	-	1	0	-	-	1	0	-	-
172	G46.45-Wholesale of perfumes and cosmetics	21	1	-	-	21	0			21	1	-	-
173	G46.46-Wholesale of pharmaceutical products	4	0	-	-	4	0	-	-	4	0	-	-
174	G46.49-Wholesale of other household goods	11	0	-	-	11	0	-	-	11	0	-	-
175	G46.51-Wholesale of computers, computer peripheral equipment and software	13	0	-	-	13	0	-	-	13	0	-	-
176	G46.52-Wholesale of electronic and telecommunication components and equipment	2	0	-	-	2	0	-	-	2	0	-	-
177	G46.61-Wholesale of agricultural equipment	1	0	-	-	1	0	-	-	1	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
178	G46.63-Wholesale of mining, construction and civil engineering machinery	2	0	-	-	2	0	-	-	2	0	-	-
179	G46.69-Wholesale of other machinery and equipment	206	1	-	-	206	0	-	-	206	1	-	-
180	G46.71-Wholesale of fuel and related products	171	91	-	-	171	1	-	-	171	93	-	-
181	G46.72-Wholesale of minerals and metals	46	0	-	-	46	0	-	-	46	0	-	-
182	G46.73-Wholesale of timber, construction materials and sanitary equipment	157	1	-	-	157	0	-	-	157	1	-	-
183	G46.74-Wholesale of hardware, plumbing and heating supplies	2	0	-	-	2	0	-	-	2	0	-	-
184	G46.75-Wholesale of chemical products	2	0	-	-	2	0	-	-	2	0	-	-
185	G46.76-Wholesale of other intermediate products	25	0	-	-	25	0	-	-	25	0	-	-
186	G46.77-Wholesale of waste and scrap	13	0	-	-	13	0	-	-	13	0	-	-
187	G46.90-Non-specialized wholesale trade	13	1	-	-	13	0	-	-	13	1	-	-
188	G47.11-Retail sale in non-specialized stores, predominantly food	324	1	-	-	324	0	-	-	324	1	-	-
189	G47.29-Other retail sale of food in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
190	G47.30-Retail sale of fuel in specialized stores	2	0	-	-	2	0	-	-	2	0	-	-
191	G47.41-Retail sale of computers, peripheral units and software in specialized stores	5	0	-	-	5	0	-	-	5	0	-	-
192	G47.42-Retail sale of telecommunications equipment in specialized stores	6	0	-	-	6	0	-	-	6	0	-	-
193	G47.52-Retail sale of hardware, paints and glass in specialized stores	2	0	-	-	2	0	-	-	2	0	-	-
194	G47.54-Retail sale of household appliances in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
195	G47.59-Retail sale of furniture, lighting equipment and other household items in specialized stores	17	0	-	-	17	0	-	-	17	0	-	-
196	G47.62-Retail sale of newspapers and stationery in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
197	G47.64-Retail sale of sporting goods in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCM)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)	(in € millions)	Of which environmentally sustainable (CCM + CCA)
198	G47.71-Retail sale of clothing in specialized stores	3	0	-	-	3	0	-	-	3	0	-	-
199	G47.72-Retail sale of footwear and leather goods in specialized stores	7	0	-	-	7	0	-	-	7	0	-	-
200	G47.73-Retail sale of pharmaceutical products in specialized stores	1	0	-	-	1	0	-	-	1	0	-	-
201	G47.75-Retail sale of perfume and beauty products in specialized stores	2	0	-	-	2	0	-	-	2	0	-	-
202	G47.76-Retail sale of flowers, plants, seeds, fertilizers, pets and pet food in specialized stores	34	0	-	-	34	0	-	-	34	0	-	-
203	G47.78-Other retail sale of new goods in specialized stores	3	0	-	-	3	0	-	-	3	0	-	-
204	G47.91-Distance selling	6	0	-	-	6	0	-	-	6	0	-	-
205	H49.10-Intercity passenger rail transport	51	0	-	-	51	0	-	-	51	0	-	-
206	H49.31-Urban and suburban passenger transport	35	0	-	-	35	0	-	-	35	0	-	-
207	H49.39-Scheduled passenger transport by road	34	0	-	-	34	0	-	-	34	0	-	-
208	H49.41-Freight transport by road	49	1	-	-	49	0	-	-	49	1	-	-
209	H49.50-Pipeline transport	6	0	-	-	6	0	-	-	6	0	-	-
210	H50.10-Maritime and coastal passenger transport	16	0	-	-	16	0	-	-	16	0	-	-
211	H50.20-Maritime and coastal freight transport	96	18	-	-	96	0	-	-	96	18	-	-
212	H51.10-Passenger air transport	73	4	-	-	73	0	-	-	73	4	-	-
213	H52.10-Warehousing and storage	111	21	-	-	111	0	-	-	111	21	-	-
214	H.52.21-Service activities incidental to land transportation	5	1	-	-	5	0	-	-	5	1	-	-
215	H.52.23-Service activities incidental to air transportation	30	2	-	-	30	0	-	-	30	2	-	-
216	H.52.29-Other services incidental to transportation	41	2	-	-	41	0	-	-	41	2	-	-
217	H53.10-Postal activities under a universal service obligation	2	0	-	-	2	0	-	-	2	0	-	-
218	I55.10-Hotels and similar accommodation	28	0	-	-	28	0	-	-	28	0	-	-
219	I55.20-Tourist accommodation and other short-term accommodation	4	0	-	-	4	0	-	-	4	0	-	-
220	I56.10-Restaurants and mobile food services	1	0	-	-	1	0	-	-	1	0	-	-
221	I56.21-Catering services	12	3	-	-	12	0	-	-	12	3	-	-
222	I56.29-Other food services	5	0	-	-	5	0	-	-	5	0	-	-
223	J58.11-Book publishing	23	0	-	-	23	0	-	-	23	0	-	-
224	J58.13-Newspaper publishing	3	0	-	-	3	0	-	-	3	0	-	-

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		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
225	J58.14-Publishing of magazines and periodicals	7	0	-	-	7	0	-	-	7	0	-	-
226	J58.29-Publishing of other software	24	2	-	-	24	0	-	-	24	2	-	-
227	J59.11-Motion picture, video and television program production	1	0	-	-	1	0	-	-	1	0	-	-
228	J60.20-Television programming and broadcasting	8	0	-	-	8	0	-	-	8	0	-	-
229	J61.10-Fixed-line telecommunications	359	0	-	-	359	0	-	-	359	0	-	-
230	J61.20-Wireless telecommunications	49	0	-	-	49	0	-	-	49	0	-	-
231	J61.30-Satellite telecommunications	3	0	-	-	3	0	-	-	3	0	-	-
232	J61.90-Other telecommunication activities	9	0	-	-	9	0	-	-	9	0	-	-
233	J62.01-Computer programming	32	0	-	-	32	0	-	-	32	0	-	-
234	J62.02-IT consulting	187	13	-	-	187	0	-	-	187	13	-	-
235	J62.03-Management of IT facilities	43	0	-	-	43	0	-	-	43	0	-	-
236	J62.09-Other IT activities	15	2	-	-	15	0	-	-	15	2	-	-
237	J63.11-Data processing, hosting and related activities	11	0	-	-	11	0	-	-	11	0	-	-
238	J63.12-Internet portals	1	0	-	-	1	0	-	-	1	0	-	-
239	K64.20-Activities of holding companies	2 111	120	-	-	2 111	0	-	-	2 111	120	-	-
240	L68.10-Activities of real estate dealers	85	0	-	-	85	0	-	-	85	0	-	-
241	L68.20-Lease of land and other immovable property	1 287	89	-	-	1 287	21	-	-	1 287	109	-	-
242	L68.31-Real estate agencies	63	6	-	-	63	0	-	-	63	6	-	-
243	L68.32-Administration of buildings and other immovable property	44	0	-	-	44	0	-	-	44	0	-	-
244	M70.10-Activities of head offices	3 440	196	-	-	3 440	0	-	-	3 440	197	-	-
245	M70.22-Business and other management consultancy	621	11	-	-	621	0	-	-	621	11	-	-
246	M71.11-Architectural activities	2	0	-	-	2	0	-	-	2	0	-	-
247	M71.12-Engineering activities	108	42	-	-	108	0	-	-	108	42	-	-
248	M71.20-Motor vehicle technical inspection	23	0	-	-	23	0	-	-	23	0	-	-
249	M72.11-Research and development in biotechnology	19	0	-	-	19	0	-	-	19	0	-	-
250	M72.19-Research and development in other physical and natural sciences	1	0	-	-	1	0	-	-	1	0	-	-
251	M72.20-Research and development in humanities and social sciences	4	0	-	-	4	0	-	-	4	0	-	-
252	M73.11-Activities of advertising agencies	54	0	-	-	54	0	-	-	54	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
253	M73.12-Media advertising agency	6	2	-	-	6	0	-	-	6	2	-	-
254	M73.20-Market research and surveys	1	0	-	-	1	0	-	-	1	0	-	-
255	M74.90-Other professional, scientific and technical activities n.e.c.	37	18	-	-	37	0	-	-	37	18	-	-
256	M75.00-Veterinary activities	3	0	-	-	3	0	-	-	3	0	-	-
257	N77.11-Car and light motor vehicle rental and leasing	347	113	-	-	347	0	-	-	347	113	-	-
258	N77.12-Truck rental and leasing	7	0	-	-	7	0	-	-	7	0	-	-
259	N77.21-Rental and leasing of leisure and sporting goods	11	1	-	-	11	0	-	-	11	1	-	-
260	N77.29-Rental and leasing of other personal and household goods	1	0	-	-	1	0	-	-	1	0	-	-
261	N77.32-Rental and leasing of construction machinery and equipment	6	0	-	-	6	0	-	-	6	0	-	-
262	N77.34-Rental and leasing of water transport equipment	20	3	-	-	20	0	-	-	20	3	-	-
263	N77.35-Rental and leasing of air transport equipment	303	2	-	-	303	0	-	-	303	2	-	-
264	N77.39-Rental and leasing of other machinery, equipment and physical assets n.e.c.	199	0	-	-	199	0	-	-	199	0	-	-
265	N78.20-Temporary employment agency activities	1	0	-	-	1	0	-	-	1	0	-	-
266	N79.11-Travel agency activities	1	0	-	-	1	0	-	-	1	0	-	-
267	N79.12-Tour operator activities	41	0	-	-	41	0	-	-	41	0	-	-
268	N80.10-Private security activities	69	0	-	-	69	0	-	-	69	0	-	-
269	N81.10-Combined support activities for buildings	1	0	-	-	1	0	-	-	1	0	-	-
270	N81.21-Routine cleaning of buildings	5	0	-	-	5	0	-	-	5	0	-	-
271	N81.29-Other cleaning activities	1	0	-	-	1	0	-	-	1	0	-	-
272	N82.11-Combined office administrative services	58	0	-	-	58	0	-	-	58	0	-	-
273	N82.20-Call center activities	14	0	-	-	14	0	-	-	14	0	-	-
274	N82.30-Organization of trade fairs and conventions	30	0	-	-	30	0	-	-	30	0	-	-
275	N82.92-Packaging activities	4	0	-	-	4	0	-	-	4	0	-	-
276	N82.99-Other business support activities n.e.c.	17	1	-	-	17	0	-	-	17	1	-	-
277	O84.11 - General public administration	19	0	-	-	19	0	-	-	19	0	-	-
278	O84.23-Justice	1	0	-	-	1	0	-	-	1	0	-	-
279	P85.59-Miscellaneous information	1	0	-	-	1	0	-	-	1	0	-	-
280	Q86.10-Hospital activities	2	0	-	-	2	0	-	-	2	0	-	-
281	Q86.90-Other human health activities	3	0	-	-	3	0	-	-	3	0	-	-

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		Climate change mitigation (CCM)				Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial corporations (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCM)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)	(in € millions)	Of which environ-mentally sustainable (CCM + CCA)
282	Q87.10-Residential care for the elderly	2	0	-	-	2	0	-	-	2	0	-	-
283	Q87.30-Social housing for the elderly or physically disabled	41	0	-	-	41	0	-	-	41	0	-	-
284	R90.01-Performing arts	2	0	-	-	2	0	-	-	2	0	-	-
285	R90.03-Artistic creation	1	0	-	-	1	0	-	-	1	0	-	-
286	R91.02-Museum management	3	0	-	-	3	0	-	-	3	0	-	-
287	R92.00-Organization of games of chance	20	0	-	-	20	0	-	-	20	0	-	-
288	R93.11-Management of sports facilities	2	0	-	-	2	0	-	-	2	0	-	-
289	R93.12-Sports club activities	2	0	-	-	2	0	-	-	2	0	-	-
290	R93.21-Activities of amusement parks and theme parks	3	0	-	-	3	0	-	-	3	0	-	-
291	S94.12-Activities of professional organizations	85	8	-	-	85	0	-	-	85	8	-	-
292	S94.20-Activities of trade unions	1	0	-	-	1	0	-	-	1	0	-	-
293	S95.11-Repair of computers and peripheral equipment	1	0	-	-	1	0	-	-	1	0	-	-
294	S96.02-Hairstyling and beauty treatments	1	0	-	-	1	0	-	-	1	0	-	-
295	S96.04-Body maintenance	9	0	-	-	9	0	-	-	9	0	-	-
296	U99.00-Activities of extraterritorial organizations and bodies	30	0	-	-	30	0	-	-	30	0	-	-

MODEL 3 - KPI GREEN ASSET RATIO OUTSTANDINGS

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties.

Presentation based on counterparties' revenue

		a	b	c	d	e
		Reference date of information 2023				
		Climate change mitigation (CCM)				
		Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-eligible)				
			Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-aligned)			
% (of total assets covered in the denominator)				Of which product use	Of which transitional	Of which enabling
	GAR - Assets covered by numerator and denominator					
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	67%	11%	10%	0%	0%
2	**Financial companies**	4%	0%	0%	0%	0%
3	**Credit institutions**	1%	0%	0%	0%	0%
4	- Loans and advances	0%	0%	0%	0%	0%
5	- Debt securities, including specific use of proceeds (UoP)	1%	0%	0%	0%	0%
6	- Equity instruments	0%	0%	-	0%	0%
7	**Other financial institutions**	7%	1%	0%	0%	0%
8	**of which investment firms**	0%	0%	0%	0%	0%
9	- Loans and advances	0%	0%	0%	0%	0%
10	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
11	- Equity instruments	0%	0%	-	0%	0%
12	**of which asset management companies**	0%	0%	0%	0%	0%
13	- Loans and advances	0%	0%	0%	0%	0%
14	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
15	- Equity instruments	0%	0%	-	0%	0%
16	**of which insurance companies**	8%	1%	0%	0%	1%
17	- Loans and advances	0%	0%	0%	0%	0%
18	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
19	- Equity instruments	8%	1%	-	0%	1%
20	**Non-financial corporations**	21%	4%	0%	0%	2%
21	- Loans and advances	22%	4%	0%	0%	2%
22	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
23	- Equity instruments	0%	0%	-	0%	0%
24	**Households**	77%	12%	12%	0%	0%
25	of which secured by residential real estate property	100%	16%	16%	0%	0%
26	of which loans for building renovation	100%	0%	0%	0%	0%
27	of which motor vehicle loans	36%	0%	0%	0%	0%
28	**Financing of local governments**	1%	0%	0%	0%	0%
29	Housing finance	100%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%
31	**Collateral obtained by seizure: residential and commercial real estate property**	0%	0%	0%	0%	0%
32	**TOTAL GAR ASSETS**	**32%**	**5%**	**5%**	**0%**	**0%**

f	g	h	i	aa	ab	ac	ad	ae	af
Climate change adaptation (CCA)				TOTAL (CCM + CCA)					
Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-eligible)				Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-eligible)					
	Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-aligned)				Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-aligned)				
		Of which product use	Of which enabling			Of which product use	Of which transitional	Of which enabling	Share of total assets covered
0%	0%	0%	0%	67%	11%	10%	0%	0%	47%
4%	2%	0%	2%	9%	3%	0%	0%	2%	4%
0%	0%	0%	0%	1%	0%	0%	0%	0%	2%
0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
0%	0%	0%	0%	1%	0%	0%	0%	0%	1%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
8%	4%	0%	4%	15%	5%	0%	0%	4%	2%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
11%	5%	0%	5%	19%	6%	0%	0%	6%	1%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11%	5%	-	5%	19%	6%	-	0%	6%	1%
0%	0%	0%	0%	22%	4%	0%	0%	2%	3%
0%	0%	0%	0%	22%	4%	0%	0%	2%	3%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	77%	12%	12%	0%	0%	40%
0%	0%	0%	0%	100%	16%	16%	0%	0%	31%
0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
-	-	-	-	36%	0%	0%	0%	0%	1%
0%	0%	0%	0%	1%	0%	0%	0%	0%	1%
0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	**0%**	**0%**	**0%**	**32%**	**5%**	**5%**	**0%**	**0%**	**100%**

Presentation based on capital expenditure (CapEx)

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		Reference date of information 2023														
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				TOTAL (CCM + CCA)					
		Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)					Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)					
			Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)					Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				
% (of total assets covered in the denominator)				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Share of total assets covered
	GAR - Assets covered by numerator and denominator															
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	68%	11%	10%	0%	0%	2%	0%	0%	0%	70%	11%	10%	0%	0%	47%
2	**Financial companies**	4%	1%	0%	0%	0%	4%	0%	0%	0%	9%	0%	0%	0%	0%	4%
3	**Credit institutions**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
4	- Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
5	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%
6	- Equity instruments	0%	0%	-	0%	0%	0%	0%	-	0%	0%	0%	-	0%	0%	0%
7	**Other financial institutions**	8%	1%	0%	0%	1%	8%	0%	0%	0%	16%	2%	0%	0%	1%	2%
8	**of which investment firms**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	- Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%	0%	0%	0 %	0%	0%	0%	0%	0%	0%	0%
11	- Equity instruments	0%	0%	-	0%	0%	0%	0%	-	0%	0%	0%	-	0%	0%	0%
12	**of which asset management companies**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	- Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	- Equity instruments	0%	0%	-	0%	0%	0%	0%	-	0%	0%	0%	-	0%	0%	0%
16	**of which insurance companies**	8%	2%	0%	0%	1%	8%	0%	0%	0%	16%	2%	0%	0%	1%	1%
17	- Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	- Equity instruments	8%	2%	-	0%	0%	8%	0%	0%	0%	16%	2%	-	0%	1%	1%

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		Reference date of information 2023														
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				TOTAL (CCM + CCA)					
		Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)					Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)					
			Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)					Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				
% (of total assets covered in the denominator)				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Share of total assets covered
	GAR - Assets covered by numerator and denominator															
20	**Non-financial corporations**	33%	7%	0%	0%	0%	30%	0%	0%	0%	63%	8%	0%	0%	3%	3%
21	- Loans and advances	34%	7%	0%	0%	3%	30%	0%	0%	0%	64%	8%	0%	0%	3%	3%
22	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	- Equity instruments	0%	0%	-	0%	0%	0%	0%	-	0%	0%	0%	-	0%	0%	0%
24	**Households**	77%	12%	12%	0%	0%	0%	0%	0%	0%	77%	12%	12%	0%	0%	40%
25	of which secured by residential real estate property	100%	16%	16%	0%	0%	0%	0%	0%	0%	100%	16%	16%	0%	0%	31%
26	of which loans for building renovation	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	36%	0%	0%	0%	0%	-	-	-	-	-	-	-	-	-	-
28	**Financing of local governments**	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%
29	Housing finance	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
31	**Collateral obtained by seizure: residential and commercial real estate property**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**TOTAL GAR ASSETS**	**32%**	**5%**	**5%**	**0%**	**0%**	**1%**	**0%**	**0%**	**0%**	**33%**	**5%**	**5%**	**0%**	**0%**	**100%**

3

MODEL 4 - KPI GREEN ASSET RATIO FLOWS

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties. The flows used to calculate this indicator relate to net new financing over the period.

Presentation based on counterparties' revenue

		a	b	c	d	e
		Reference date of information 2023				
		Climate change mitigation (CCM)				
		Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				
			Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy			
% (of flows from all eligible assets)				Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Assets covered by numerator and denominator					
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	49%	1%	1%	0%	0%
2	**Financial companies**	1%	0%	0%	0%	0%
3	**Credit institutions**	0%	0%	0%	0%	0%
4	- Loans and advances	0%	0%	0%	0%	0%
5	- Debt securities, including specific use of proceeds (UoP)	1%	0%	0%	0%	0%
6	- Equity instruments	0%	0%	-	0%	0%
7	**Other financial institutions**	6%	1%	0%	0%	1%
8	**of which investment firms**	0%	0%	0%	0%	0%
9	- Loans and advances	0%	0%	0%	0%	0%
10	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
11	- Equity instruments	0%	0%	-	0%	0%
12	**of which asset management companies**	0%	0%	0%	0%	0%
13	- Loans and advances	0%	0%	0%	0%	0%
14	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
15	- Equity instruments	0%	0%	-	0%	0%
16	**of which insurance companies**	0%	0%	0%	0%	0%
17	- Loans and advances	0%	0%	0%	0%	0%
18	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
19	- Equity instruments	0%	0%	-	0%	0%
20	**Non-financial corporations**	23%	5%	0%	0%	4%
21	- Loans and advances	24%	5%	0%	0%	4%
22	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
23	- Equity instruments	0%	0%	-	0%	0%
24	**Households**	61%	1%	1%	0%	0%
25	of which secured by residential real estate property	100%	2%	2%	0%	0%
26	of which loans for building renovation	100%	0%	0%	0%	0%
27	of which motor vehicle loans	56%	0%	0%	0%	0%
28	**Financing of local governments**	2%	0%	0%	0%	0%
29	Housing finance	100%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%
31	**Collateral obtained by seizure: residential and commercial real estate property**	0%	0%	0%	0%	0%
32	**TOTAL GAR ASSETS**	**15%**	**0.4%**	**0.3%**	**0.0%**	**0.1%**

f	g	h	i	aa	ab	ac	ad	ae	af
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)					
	Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Share of total assets covered
0%	0%	0%	0%	49%	1.49%	0.99%	0%	0%	30%
0%	0%	0%	0%	1%	0%	0%	0%	0%	4%
0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
0%	0%	0%	0%	1%	0%	0%	0%	0%	1%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	6%	1%	0%	0%	1%	1%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	23%	5%	0%	0%	4%	3%
0%	0%	0%	0%	24%	5%	0%	0%	4%	3%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	61%	1%	1%	0%	0%	23%
0%	0%	0%	0%	100%	2%	2%	0%	0%	13%
0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
-	-	-	-	56%	0%	0%	0%	0%	2%
0%	0%	0%	0%	2%	0%	0%	0%	0%	0%
0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0.0%	**0.0%**	**0.0%**	**0.0%**	**14.5%**	**0.4%**	**0.3%**	**0.0%**	**0.1%**	**100%**

Presentation based on capital expenditure (CapEx) of counterparties

		a	b	c	d	e
		Reference date of information 2023				
		Climate change mitigation (CCM)				
		Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				
			Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)			
% (of flows from all eligible assets)				Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Assets covered by numerator and denominator					
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	51%	2%	1%	0%	1%
2	**Financial companies**	1%	0%	0%	0%	0%
3	**Credit institutions**	0%	0%	0%	0%	0%
4	- Loans and advances	0%	0%	0%	0%	0%
5	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
6	- Equity instruments	0%	0%	-	0%	0%
7	**Other financial institutions**	8%	2%	0%	0%	2%
8	**of which investment firms**	0%	0%	0%	0%	0%
9	- Loans and advances	0%	0%	0%	0%	0%
10	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
11	- Equity instruments	0%	0%	-	0%	0%
12	**of which asset management companies**	0%	0%	0%	0%	0%
13	- Loans and advances	0%	0%	0%	0%	0%
14	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
15	- Equity instruments	0%	0%	-	0%	0%
16	**of which insurance companies**	0%	0%	0%	0%	0%
17	- Loans and advances	0%	0%	0%	0%	0%
18	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
19	- Equity instruments	0%	0%	-	0%	0%
20	**Non-financial corporations**	39%	10%	0%	0%	5%
21	- Loans and advances	40%	10%	0%	0%	6%
22	- Debt securities, including specific use of proceeds (UoP)	0%	0%	0%	0%	0%
23	- Equity instruments	0%	0%	-	0%	0%
24	**Households**	61%	1%	1%	0%	0%
25	of which secured by residential real estate property	100%	2%	2%	0%	0%
26	of which loans for building renovation	100%	0%	0%	0%	0%
27	of which motor vehicle loans	56%	0%	0%	0%	0%
28	**Financing of local governments**	2%	0%	0%	0%	0%
29	Housing finance	100%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%
31	**Collateral obtained by seizure: residential and commercial real estate property**	0%	0%	0%	0%	0%
32	**TOTAL GAR ASSETS**	**14%**	**0%**	**0%**	**0%**	**0%**

f	g	h	i	aa	ab	ac	ad	ae	af
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)					
	Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Share of total assets covered
4%	0%	0%	0%	54%	2%	1%	0%	1%	28%
1%	0%	0%	0%	3%	0%	0%	0%	0%	4%
0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
8%	0%	0%	0%	15%	2%	0%	0%	2%	1%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
35%	0%	0%	0%	74%	10%	0%	0%	5%	3%
36%	0%	0%	0%	75%	10%	0%	0%	6%	3%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	-	0%	0%	0%	-	0%	0%	0%
0%	0%	0%	0%	61%	1%	1%	0%	0%	21%
0%	0%	0%	0%	100%	2%	2%	0%	0%	12%
0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
-	-	-	-	56%	0%	0%	0%	0%	1%
0%	0%	0%	0%	2%	0%	0%	0%	0%	0%
0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	**0%**	**0%**	**0%**	**14%**	**0%**	**0%**	**0%**	**0%**	**100%**

MODEL 5: KPI FOR OFF-BALANCE SHEET EXPOSURES

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties.

Presentation based on counterparties' revenue

		a	b	c	d	e
		Reference date of information 2023				
		Climate change mitigation (CCM)				
		Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				
			Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)			
% (in relation to total eligible off-balance sheet assets)				Of which use of proceeds	Of which transitional	
1	Financial guarantees (FinGuar KPI)	13%	4%	0%	0%	3%
2	Assets under management (AuM KPI)	4%	1%	0%	0%	0%

f	g	h	i	aa	ab	ac	ad	ae
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				
	Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)				Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)			
	Of which enabling		Of which use of proceeds		Of which enabling		Of which use of proceeds	Of which transitional
0%	0%	0%	0%	13%	4%	0%	0%	3%
0%	0%	0%	0%	4%	1%	0%	0%	0%

Presentation based on capital expenditure (CapEx) of counterparties

		a	b	c	d	e
		Reference date of information 2023				
		Climate change mitigation (CCM)				
		Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				
			Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)			
% (in relation to total eligible off-balance sheet assets)				Of which use of proceeds	Of which transitional	
1	Financial guarantees (FinGuar KPI)	14%	4%	0%	0%	3%
2	Assets under management (AuM KPI)	7%	1%	0%	0%	1%

f	g	h	i	aa	ab	ac	ad	ae
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				Share of total assets covered dedicated to financing taxonomic sectors (eligible for taxonomy)				
	Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy				Share of total assets covered dedicated to financing taxonomic-relevant sectors (aligned with taxonomy)			
	Of which enabling		Of which use of proceeds		Of which enabling		Of which use of proceeds	Of which transitional
14%	0%	0%	0%	28%	4%	0%	0%	3%
7%	0%	0%	0%	13%	1%	0%	0%	1%

3

Models specific to fossil gas and nuclear activities

MODEL 1 - NUCLEAR ENERGY AND FOSSIL GAS ACTIVITIES

The information in this model is based solely on counterparty revenue.

	Nuclear energy activities	
1.	The company is engaged in, finances or is exposed to research, development, demonstration and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	YES
2.	The company is engaged in, finances or is exposed to the construction and safe operation of new nuclear power or process heat facilities, including for district heating purposes or for industrial processes such as hydrogen production, including their safety upgrades, using the best available technology.	YES
3.	The company is engaged in, finances or is exposed to the safe operation of existing nuclear power or process heat production facilities, including district heating or industrial processes such as hydrogen production, based on nuclear energy, including their safety upgrades.	YES
	Fossil gas activities	
4.	The company is engaged in, finances or is exposed to construction or operation of facilities for the production of electricity from gaseous fossil fuels.	YES
5.	The company is engaged in, finances or is exposed to the construction, refurbishment and operation of combined heat/cooling and power generation facilities based on gaseous fossil fuels.	YES
6.	The company engages in, finances, or is exposed to the construction, rehabilitation, or operation of heat generation facilities that produce heat/cold from gaseous fossil fuels.	YES

MODEL 2 - ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY (DENOMINATOR)

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties.

Presentation based on counterparties' revenue

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	42	0%	42	0%	0	0%
4.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other economic activities aligned on the taxonomy not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**31,596**	**5%**	**31,128**	**5%**	**468**	**0%**
8.	**TOTAL APPLICABLE KPI**	**624,530**	**100%**	**624,530**	**100%**	**624,530**	**100%**

Presentation based on capital expenditure (CapEx) of counterparties

	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	8	0%	8	0%	0	0%
3.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	66	0%	66	0%	0	0%
4.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other economic activities aligned on the taxonomy not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**31,710**	**5%**	**31,670**	**5%**	**40**	**0%**
8.	**TOTAL APPLICABLE KPI**	**624,530**	**100%**	**624,530**	**100%**	**624,530**	**100%**

MODEL 3 - ECONOMIC ACTIVITIES ALIGNED WITH TAXONOMY (NUMERATOR)

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties.

Presentation based on counterparties' revenue

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	119	0%	119	0%	0	0%
4.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other economic activities aligned on the taxonomy not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**31,519**	**100%**	**31,051**	**100%**	**468**	**100%**
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI**	**31,638**	**100%**	**31,170**	**100%**	**468**	**100%**

Presentation based on capital expenditure (CapEx) of counterparties

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	34	0%	34	0%	0	0%
3.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	246	1%	246	1%	0	0%
4.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other economic activities aligned on the taxonomy not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**31,504**	**99%**	**31,464**	**99%**	**40**	**100%**
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI**	**31,784**	**100%**	**31,744**	**100%**	**40**	**100%**

MODEL 4: ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY BUT NOT ALIGNED WITH IT

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties.

Presentation based on counterparties' revenue

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0%	3	0%	0	0%
4.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	31	0%	31	0%	0	0%
5.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0%	3	0%	0	0%
6.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0%	1	0%	0	0%
7.	**Amount and proportion of other economic activities aligned on the taxonomy not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**167,630**	**100%**	**167,094**	**100%**	**536**	**100%**
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF ECONOMIC ACTIVITIES ELIGIBLE FOR, BUT NOT ALIGNED WITH, THE TAXONOMY IN THE DENOMINATOR OF THE APPLICABLE KPI**	**167,668**	**100%**	**167,132**	**100%**	**536**	**100%**

Presentation based on capital expenditure (CapEx) of counterparties

	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0%	3	0%	0	0%
4.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	16	0%	16	0%	0	0%
5.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0%	1	0%	0	0%
6.	Amount and proportion of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other economic activities aligned on the taxonomy not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**174,392**	**100%**	**168,541**	**100%**	**5,851**	**100%**
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF ECONOMIC ACTIVITIES ELIGIBLE FOR, BUT NOT ALIGNED WITH, THE TAXONOMY IN THE DENOMINATOR OF THE APPLICABLE KPI**	**174,412**	**100%**	**168,561**	**100%**	**5,851**	**100%**

MODEL 5: ECONOMIC ACTIVITIES NOT ELIGIBLE FOR TAXONOMY

The information in this model is based on the revenue and capital expenditure (CapEx) of the counterparties.

Presentation based on counterparties' revenue

Line	Economic activities not eligible for taxonomy	Amount	%
1.	Amount and proportion of the economic activity referred to in line 1 of Model 1 that is not eligible for taxonomy, in accordance with section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of the economic activity referred to in line 2 of Model 1 that is not eligible for taxonomy, in accordance with section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	4	0%
3.	Amount and proportion of the economic activity referred to in line 3 of Model 1 that is not eligible for taxonomy, in accordance with section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	17	0%
4.	Amount and proportion of the economic activity referred to in line 4 of Model 1 that is not eligible for taxonomy, in accordance with section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of the economic activity referred to in line 5 of Model 1 that is not eligible for taxonomy, in accordance with section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of the economic activity referred to in line 6 of Model 1 that is not eligible for taxonomy, in accordance with section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other economic activities not eligible for the taxonomy and not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**425,204**	**100%**
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF ECONOMIC ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY IN THE DENOMINATOR OF THE APPLICABLE KPI**	**425,225**	**100%**

Presentation based on capital expenditure (CapEx) of counterparties

Line	Economic activities not eligible for taxonomy	Amount	%
1.	Amount and proportion of the economic activity referred to in line 1 of Model 1 that is not eligible for taxonomy, in accordance with section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of the economic activity referred to in line 2 of Model 1 that is not eligible for taxonomy, in accordance with section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	66	0%
3.	Amount and proportion of the economic activity referred to in line 3 of Model 1 that is not eligible for taxonomy, in accordance with section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	8	0%
4.	Amount and proportion of the economic activity referred to in line 4 of Model 1 that is not eligible for taxonomy, in accordance with section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of the economic activity referred to in line 5 of Model 1 that is not eligible for taxonomy, in accordance with section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of the economic activity referred to in line 6 of Model 1 that is not eligible for taxonomy, in accordance with section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other economic activities not eligible for the taxonomy and not referred to in lines 1 to 6 above in the denominator of the applicable KPI**	**424,152**	**100%**
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF ECONOMIC ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY IN THE DENOMINATOR OF THE APPLICABLE KPI**	**424,226**	**100%**

3.15 REPORT OF THE INDEPENDENT THIRD PARTY ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

Year ended December 31, 2023

To the Shareholders' Meeting

In our capacity as an independent third party ("third party"), accredited by COFRAC (Accréditation COFRAC Inspection, No. 3-1681, scope available on www.cofrac.fr) and member of the network of one of the statutory auditors of your company (hereinafter "entity"), we have carried out work designed to provide a reasoned opinion expressing a conclusion of moderate assurance on the compliance of the consolidated Non-Financial Performance Statement for the year ended December 31, 2023 (hereinafter the "Statement") with the provisions of Article R.225-105 of the French Commercial Code and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R.225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), presented in the management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on the information we obtained, nothing has come to our attention that causes us to believe that the consolidated Non-Financial Performance Statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Reporting Criteria.

Preparation of the Non-Financial Performance Statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

As stated in the Statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The Entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, moreover, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- prepare the Statement by applying the Entity's Reporting Criteria as mentioned above;
- and implementing such internal control procedures as it determines are necessary to enable it to produce information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the independent third party

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:

- the Statement's compliance with the provisions stipulated in Article R.225-105 of the French Commercial Code;
- the truthfulness of the historical (recorded or extrapolated) information provided in application of paragraph 3 of Sections I and II of Article R.225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly in terms of information provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax evasion);
- the fairness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of the products and services with the applicable regulations.

Regulatory requirements and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A.225-1 et seq. of the French Commercial Code, our verification program consisting of our own procedures (Non-Financial Performance Statement verification program, of July 7, 2023) and the professional doctrine of the Compagnie nationale des commissaires aux comptes relating to this intervention, in particular the technical opinion of the Compagnie nationale des commissaires aux comptes, Intervention of the statutory auditors - ITP intervention - Non-Financial Performance Statement, and the international standard ISAE 3000 (revised) [1].

Independence and quality control

Our independence is defined by the provisions of Article L.821-28 of the French Commercial Code and the profession's code of ethics. Furthermore, we implemented a quality control system that includes documented policies and procedures intended to ensure compliance with professional standards and applicable regulations and legislation, ethical rules and the professional doctrine.

Means and resources

Our work was conducted by a skilled team of sixpersons, took place between November 2023 and March 2024 and lasted for approximately fifteen weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We carried out approximately ten interviews with the persons responsible for preparing the Statement representing in particular the departments in charge of defining policies, deploying them and collecting information.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the procedures we conducted in the exercise of our professional judgment enable us to provide a moderate assurance engagement:

- we took due note of the activities of all the entities included in the consolidation scope and of their exposure to the main risks;
- we assessed the appropriateness of the Reporting Criteria with respect to their relevance, completeness, reliability, neutrality and comprehensibility, taking into account, if applicable, best practices in the sector;
- we verified that the Statement covers each category of information provided for in Section III of Article L.225-102-1 of the French Commercial Code on social and environmental matters as well as the information concerning the respect for human rights, anticorruption and combating tax evasion and that it includes, where applicable, an explanation of the reasons why the information required by the 2nd subparagraph of Section III of Article L.225-102-1 of the French CommercialCode is not included;
- we verified that the Statement presents the information provided for in II of Article R.225-105 of the French Commercial Code when it is relevant with regard to the main risks;
- we verified that the Statement presents the business model and the main risks related to the activity of all the entities included within the consolidation scope, including, whenever relevant and proportionate, the risks created by its business relations, products or services as well as the policies, procedures and results, including key performance indicators;

(1) ISAE 3000 (amended) – Assurance engagements other than audits or reviews of historical financial information.

- we consulted documentary sources and conducted interviews to:
  - assess the identification, ranking and validation process for the main risks and the consistency of the results, including the key performance indicators selected with respect to the main risks and policies presented,
  - corroborate the qualitative information (actions and results) that we considered most significant, as presented in Appendix 1. For certain risks (absence of preventive measures to reduce the carbon footprint of banking and investment transactions and not taking into account the risks related to climate change), our work was carried out at the level of the consolidating entity, for other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed below: Crédit Mutuel de Centre Est Europe and CIC Lyonnaise de Banque;
- we verified that the Statement covers the consolidated scope, *i.e.* all entities included in the scope of consolidation in accordance with Article L.233-16 of the French Commercial Code with the limits specified in the Statement;
- we took due note of the procedures for internal control and risk management implemented by the Entity and assessed the collection process aimed at ensuring the completeness and veracity of the Information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant presented in Appendix 1, we implemented:
  - analytical procedures consisting of verifying the correct consolidation of collected data as well as the consistency of changes to them,
  - detailed tests based on sampling or other selection methods, consisting of verifying the proper application of definitions and procedures, and of reconciling data with supporting documents. This work was carried out with a selection of the contributing entities listed above covering between 17% and 31% of the consolidated data selected for these tests (17% of energy consumption, 19% of the workforce, 23% of financing authorizations for renewable energy projects, 24% of the number of elected members and 31% of the number of members);
- we assessed the overall consistency of the Statement in relation to our knowledge of all of the entities included in the consolidation scope.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional doctrine; a higher level of assurance would have required more extensive audit work.

Paris-La Défense, April 8, 2024

Independent third party

EY & Associés

Caroline Delérable

Partner, Sustainable development

Appendix 1: information considered to be the most important

SOCIAL INFORMATION

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
■ Share of employees trained in digital transformation (%). ■ Employee turnover rate (%). ■ Percentage of women in management and governance positions (%). ■ % of payroll expense dedicated to training.	■ Employee training plan, including the Digital Passport. ■ Actions to promote gender parity. ■ Actions to mobilize employees.

ENVIRONMENTAL INFORMATION

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
■ Total consumption of energy (including electricity, gas, fuel oil consumption, urban steam and chilled water networks (kWh). ■ Growth rate of renewable energy project financing commitments (%).	■ Actions to take into account specific rules governing high greenhouse gas-emitting sectors in lending and investment management. ■ Prevention measures to reduce the carbon footprint of banking and investment transactions. ■ Consideration for risks associated with climate change.

SOCIETAL INFORMATION

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
■ Training rate of local elected members (%). ■ Membership rate (%).	■ Training actions for elected members. ■ Actions taken to make membership more attractive.

3.16 MISSION COMMITTEE REPORT

In 2020, Crédit Mutuel Alliance Fédérale adopted a *raison d'être* in line with its values: *Ensemble, écouter et agir* (Listening and acting together) and the status of benefit corporation. In line with the provisions of the PACTE Law, Crédit Mutuel Alliance Fédérale has set up a Mission Committee to ensure that the company has the necessary resources, governance and ambition to progress in its missions. This Committee draws on the expertise of its members to propose possible medium-term initiatives and new commitments.

Article L.210-10 of the French Commercial Code provides for the annual publication of a Mission Committee report, attached to the management report, and verified by an independent third party (ITP). The first Mission Committee report was published in April 2022 for the commitments made on December 31, 2021. It was audited by the ITP, the opinion of which was attached to the report of the Mission Committee, itself attached to the annual report. The ITP check is carried out every two years.

This third edition (April 2024) of the Mission Committee report was verified by the ITP, whose opinion is attached to the Mission Committee report reproduced below. The Mission Committee's report is also published in a separate document on the Crédit Mutuel Alliance Fédérale website.

To facilitate the reading of this report, the following table presents the pagination correspondence within this universal registration document:

Benefit corporation 1st BANK

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MISSION COMMITTEE REPORT

April 2024

A mutualism based on proof to build a fairer and more sustainable society

Crédit Mutuel
Alliance Fédérale

EDITORIAL

This annual report shows the progress made since Crédit Mutuel Alliance Fédérale became a benefit corporation. Three years later, we note an even greater pride in employees and elected members around an innovative mutualism, driven by environmental and societal issues at all levels of the company.

By launching the Societal Dividend in 2023, the Crédit Mutuel Alliance Fédérale group has shown that it wants to be at the forefront of the environmental and societal revolution. In the first year, €439 million were mobilized, *i.e.* 12.5% of annual profits! This unique decision points the way to a virtuous business model with a unique vision of value sharing.

The year 2023, marked by the wave of generative artificial intelligence, reiterated the major challenge for companies to adopt standards that guarantee the ethical use of AI. The Mission Committee is delighted to have been able to help draw up an AI charter of trust, a true contract with all stakeholders and which will be operational from 2024.

The Mission Committee was also consulted on the societal and environmental objectives of the 2024-2027 strategic plan Togetherness, Performance, Solidarity and was able to verify their consistency with the ambitions defined as a benefit corporation.

I would like to thank all the members of the Mission Committee for the quality of their contribution to the many works that punctuated the year. On their behalf, I would also like to thank the group's executives and their teams for their availability and transparency. All the necessary information has been made available to us to ensure the follow-up of all the commitments and thus issue a favorable opinion on their implementation.

Fleur Pellerin

Chairwoman of the Mission Committee

SUMMARY

.3

Daniel Baal,
Chief Executive Officer

Nicolas Théry,
Chairman

ON COURSE FOR 2027: *TOGETHERNESS, PERFORMANCE, SOLIDARITY*

Looking back three years, what does being a benefit corporation change?

Daniel Baal: For Crédit Mutuel Alliance Fédérale, adopting the status of a benefit corporation has been a powerful lever for accelerating our mutualist commitments. In concrete terms, we have succeeded in doubling the participation of the local banks at our Shareholders' Meetings, for the benefit of a stronger mutualist democracy. In six months, we collectively corrected any unjustified wage disparities that could persist between women and men. And each year we check that the difference between the average compensation of women and men in all categories does not exceed 3%. We have led the way by providing home loans to our loyal customers without any medical formalities - a real revolution in the insurance sector and a major contribution to society. And of course, the creation of the Societal Dividend in 2023 was decisive proof of our environmental and societal ambitions.

What are the links between the 2024-2027 strategic plan and the group's missions?

Daniel Baal: The name of our strategic plan, Togetherness, Performance, Solidarity is fully in line with our *raison d'être: Ensemble, écouter et agir* (listening and acting together). Our strength, which has always been our difference, is our mutualist collective. We will only succeed in this plan if we are together, efficient and supportive. It is an absolute necessity for the company and a source of pride for every employee. This is the source of creativity, innovation, solidity and sustainability. Finally, for each entity, each business line department and each subsidiary, we have a requirement: to set financial and non-financial objectives that are fully in line with our missions.

What are your environmental and societal ambitions for 2024?

Daniel Baal: First, extend our ambitions to all our entities. A project already underway in our Banque de Luxembourg, TARGOBANK in Germany and Cofidis Group subsidiaries. The latter is also committed to the path of a benefit corporation, which I am delighted about, while Banque de Luxembourg became B Corp in 2023. In 2024, with the Mutualist Environmental and Solidarity Institute, a center of ESG expertise, we will improve the monitoring of our environmental and societal objectives. The benefit corporation must give us the impetus to act on a daily basis around new projects and new ambitions.

LET'S BE REVOLUTIONARY

How can the company act to transform society?

Nicolas Théry: Several changes are underway before our eyes: economic, ecological, societal. Now is the time for companies to be revolutionary. By creating the Societal Dividend, we wanted to follow things through with the benefit corporation and show another way, that of financial performance at the service of collective utility. Thanks to this innovative mechanism, we are giving ourselves the means to take effective long-term action to accompany and support transformation projects with a positive impact.

How do you analyze the new expectations of customers, employees and elected members?

Nicolas Théry: Customers are also citizens who are increasingly pushing companies to transform their models and are asking for tangible proof of their commitment. Likewise, employees expect a meaningful company project, capable of giving life to their commitment. Our elected members want a renewed, dynamic and modern mutualism. It is not a question of setting out major principles. Our commitments are therefore extremely tangible in order to change daily life, what I call the mutualism of proof. We have succeeded in making it a source of pride and progress.

Your message for 2024?

Nicolas Théry: With the radical transformations that we have already initiated, by becoming the first corporate bank benefit corporation or by creating the Societal Dividend, we have demonstrated the vitality of our mutualist model. Because we rely on our employees and elected members, technology for high value-added consulting and diversification to support each of our clients' projects, we can be confident in our ability to act for ecological transformation and provide concrete responses to rising social inequalities.

Key figures

77,000 employees

15,500 mutualist elected members

31 million customers

4,300 branches

at December 31, 2023

A LONG-TERM ADVENTURE

2020

October
Registration of the purpose and the five missions in the company's articles of association

2022

January 19
Installation of the Mission Committee

February - March
1st audit of the independent third party (ITP)

2023

January 5
Launch of the Societal Dividend at the Economic, Social and Environmental Council

January 24 - February 2
Societal Dividend Working Groups within the Mission Committee

March 21
Mission Committee: monitoring of commitments and opinion on the guidance note of the future 2024-2027 strategic plan

May 30
Mission Committee: monitoring of commitments and roadmap

September 19 and 20
Seminar on Artificial Intelligence

September 27
Operational Monitoring Committee with business line officers

October 17
Mission Committee: reflections on the creation of an AI ethics charter

December 5
Mission Committee: progress on commitments, reflections on trusted AI

2024

February - March
2nd audit of the ITP

March 18
Mission Committee: validation of the Mission Committee's third annual report and the AI Trust Charter, opinion on the contribution of the Societal Dividend to the missions

THE SOCIETAL DIVIDEND IN ACTION: COMPLETING OUR MISSIONS

After a year full of initiatives, the Societal Dividend will be fully implemented as part of the 2024-2027 strategic plan. In 2023, €439 million were dedicated to projects with a strong social and environmental value, *i.e.* nearly 12.5% of the group's net income for 2022! Based on the 2023 results, €617 million will be dedicated to the Societal Dividend in 2024. By 2027, more than €3 billion should be mobilized for ecological transformation and social and regional solidarity. By sharing value differently, Crédit Mutuel Alliance Fédérale is putting its financial performance at the service of collective utility.

2023 figures

€439m **12.5% of net income**

In 2023, Crédit Mutuel Alliance Fédérale, a united and committed company, made a significant contribution to the achievement of its missions, in particular by **strong support for the regions and working for a fairer and more sustainable society.**

Crédit Mutuel Alliance Fédérale has supported associations as close as possible to the regions through very concrete actions: solidarity banking package and actions to combat regional inequalities (fight against solidarity deserts, integration through sport, etc.). The mutualist group has also allocated considerable human and financial resources to the financing of sustainable transformation projects (investment in the production of renewable energy, sustainable food system, biodiversity, soft mobility, etc.).

Finally, many solidarity projects have been carried out: assistance with access to quality housing, support for people with disabilities and caregivers, emergency solidarity. Impact objectives have been defined for each project with qualitative and quantitative indicators (example: metric tons of CO_2 avoided per million euros invested, etc.).

What action levers?

For ecological and social added value: the Environmental and Solidarity Revolution Fund

Managed by Crédit Mutuel Impact, the Environmental and Solidarity Revolution Fund invests in projects that generate positive, concrete and measurable impacts for the environment for the benefit of the regions. With a broad investment scope, it is committed to disruptive technological companies and facilitates the scale-up of emerging sectors for societal and solidarity-based transformation. In 2023, €363 million have been committed. Without a target financial return, the fund aims for ecological and/or social capital gains.

To support all our customers: inclusive and solidarity pricing offers

Crédit Mutuel Alliance Fédérale is developing solidarity bancassurance services to promote the inclusion of all, with support for ecological transformation and special support for its most vulnerable customers. In 2023, **over €8 million** have been committed.

For more solidarity in sustainable regions: donation and philanthropic actions

Philanthropic and donation actions are carried out at two levels: on the one hand, local donations (carried out directly by the various local banks and Crédit Mutuel Federations, the Caisse Fédérale, the CIC network, subsidiaries and specialized business lines); on the other hand, the donations made via the Fondation Crédit Mutuel Alliance Fédérale, which works in two areas "Solidarity and Territories" and "Environment". In 2023, **€68 million** were allocated to the financing of numerous projects (from the local project supported by the Crédit Mutuel local bank to very structuring actions led by the Fondation Crédit Mutuel Alliance Fédérale).

THE MISSION COMMITTEE IN ACTION...

Crédit Mutuel Alliance Fédérale was the first bank to adopt the status of a benefit corporation, in line with its historical commitments based on its mutualist values.

This innovative choice aims to create a dynamic of continuous improvement in our practices. In this context, the Mission Committee plays a major role. Coming from multiple backgrounds, the members of the Mission Committee were chosen for their expertise and their interest in taking into account societal and environmental performance in the company's overall performance. They all share the same desire to contribute to the success of Crédit Mutuel Alliance Fédérale's approach.

2022 was the year of the installation of the governance of the Mission Committee and the first measures of commitments. In early 2023, a new step was taken with the implementation of work dedicated to the Societal Dividend, its governance and organization.

The tripartite composition of the committee allows for the convergence of points of view and enriches the debates and reflections:

- **1/3 of independent experts** bringing their outside perspective
- **1/3 of directors** representing the mutualist movement
- **1/3 of employee** representatives

In 2023, as part of this work, the committee organized quarterly plenary meetings devoted to the monitoring of missions, the consultation of the guidance note of the group's 2024-2027 strategic plan, and HR and inclusion issues (workplace equality index, results of the ordinary sexism survey, etc.). In addition, a seminar organized in Strasbourg on the ethics of AI, a highlight of the work carried out in this area throughout the year.

*From left to right: **Xavier Jaravel,** Professor at the London School of Economics and member of the Conseil d'Analyse Économique, **Audrey Hammerer,** Director representing the employees of Caisse Fédérale de Crédit Mutuel, **Camille Putois,** Chief Executive Officer of the Business for Inclusive Growth (B4IG) coalition, **Fleur Pellerin,** former minister, founder and CEO of Korelya Capital, **Laurent Torre,** Director representing employees of Caisse Fédérale de Crédit Mutuel, **Sandrine Pelletier,** Chairwoman and Chief Executive Officer of APLIX group and Director of CIC Ouest, **Laurent Nallet,** representative of CIC employees. Absent from the photo: **Marie-Jean Boog,** Chairwoman of the Sarrebourg district and **Jean-Louis Maître,** Chairman of Fédération du Crédit Mutuel Savoie-Mont Blanc.*

... TO ASSESS MISSIONS

Throughout 2023, the Mission Committee monitored the execution and trajectory of the 15 commitments, which were achieved at December 31, 2023*. All the business line departments have been mobilized to implement the indicators operationally. For each commitment, an action plan is implemented: definition of the indicator, scope, management system, phasing over time and assessment of the action plan.

KPMG, an independent third-party organization (OTI), verified the achievement of the objectives selected. In February 2024, it audited the commitments (indicators and trajectory) and analyzed the mission report, based on the opinion of the Mission Committee. The OTI met the Mission Committee and its Chairwoman on March 18, 2024. It concluded its work and issued a report including a reasoned favorable opinion on the achievement of social and environmental objectives in the scope concerned by the status of benefit corporation.

... GUIDANCE: TRUSTED AI

The Mission Committee also aims to provide its expertise on the company's actions, by shedding light on strategic issues, by exploring new avenues and by being a source of proposals. In 2023, he contributed to the group's discussions on the Societal Dividend and the ethical deployment of AI.

The democratization of generative artificial intelligence has accelerated the use of AI and the automation of certain tasks. Within Crédit Mutuel Alliance Fédérale, artificial intelligence is now used daily by more than 60,000 employees to bring them more simplicity, proactivity and time to devote to customer relationships.

As an industrial bank, the impact of these new technologies on the banking business lines is a reality that must be integrated more than ever into the evolution of our business lines. In this context, the Mission Committee contributed to the group's discussions to ensure the use of artificial intelligence within a framework of trust, respectful of French and European law, and based on the group's mutualist values.

After defining this trust framework, the group has drawn up an ethics charter based on five founding principles:

Protect our customers and members' data and digital privacy;

Guarantee a transparent and documented use of AI;

Commit to an AI that is inclusive and respectful of the environment;

Develop an AI trust contract with our customers and employees;

Ensure the robustness of Artificial Intelligence-based technological solutions.

2023 figures

60,000 employees use AI on a daily basis

Our raison d'être: ensemble, écouter et agir (listening and acting together)

- **Together,** because we are mutualists. It is the power of our collective of women and men, elected members and employees, who have carried our values of freedom, democracy and solidarity for nearly 150 years.
- **Listen,** because our mission has always been to serve our members and customers according to their needs and to be attentive to the major changes in the world to build a fairer and more sustainable society.
- **Act.** This is proof of mutualism. It is about transforming our collective ability to listen into action. It means developing regions by financing everyone's projects, from individuals to companies, and protecting their savings. It means being at the service of society as a whole by acting over the long term for the common good.

Through our *raison d'être*, we reaffirm not only our historical mutualist values, but also their relevance to meet the major challenges of tomorrow on a daily basis.

** See the full performance overview. The indicators may vary depending on the commitments and their nature.*

PERSPECTIVES: WHAT DOES BEING A BENEFIT CORPORATION CHANGE?

Becoming a benefit corporation has helped to give new life to mutualism and to accelerate our collective action in the face of the challenges of the company's transformation. Environmental and societal commitments resonated strongly with employees, elected members and, more generally, civil society.

"The actions of Crédit Mutuel Alliance Fédérale must irrigate the regions and support the inhabitants who need them. This is why I am particularly delighted to see that the Societal Dividend initiatives make it possible to strengthen social ties and show our solidarity with the most vulnerable."

Marie-Jean Boog
Chairwoman of the Sarrebourg district (Fédération Crédit Mutuel Centre Est Europe)

Damien Ernst
Deputy Chief Executive Officer of Euro-Information

"I am particularly proud of the commitment to digital privacy because it not only protects customer-members' privacy, but also proves that it is possible to innovate and implement cutting-edge technologies in France for everyone. This requires strong convictions and daring to trust each other!"

"Investing the group's equity in French companies to promote innovation, growth and employment in our regions is a commitment of which the teams are proud because we give useful meaning to their actions. We are strengthening the human and sustainable vision of private equity driven by Crédit Mutuel Equity. This allows us to align ourselves with a common project, among ourselves, but also with the company directors that we support."

Emilie Lidome
Deputy Chief Executive Officer Crédit Mutuel Equity

"Being a benefit corporation represents clear, concrete commitments that give meaning to our cooperative life and our mutualism. Doubling the votes at our local banks' Shareholders' Meetings is an objective that unites elected members and employees and that leads us to better communicate our operating methods to our members, because we must explain to them why their vote is important."

Véronique De Sesmaisons
Chairwoman of the Crédit Mutuel Chantenay Sainte Anne local bank in Nantes (Fédération Crédit Mutuel de Loire-Atlantique, Centre-Ouest)

"As a benefit corporation, we are determined to go further on the environmental front. Since 2019, the reductions in the carbon footprint of our own business and our portfolios have been aimed at aligning us with the objectives set by the Paris Agreement. With the new strategic plan, we are amplifying our requirements by integrating ESG criteria into our business models to spearhead the environmental and societal revolution. In this context, the Mutualist Environmental and Solidarity Institute will play a key role in supporting our teams and customers in these transformations."

Marion Cluzeau
Director of the ESG Deployment division, Mutualist Environmental and Solidarity Institute

Laurent Dunat
Chairman of the Crédit Mutuel de Caudry local bank (Fédération de Crédit Mutuel Nord Europe)

"The strength of our mutualist movement lies in its ability to constantly renew itself and adapt to a changing world. Its modernity is based on a medium- and long-term vision that enables us to meet the major challenges of tomorrow. Finally, the vitality of our movement depends on active directors representing all generations. As elected members, we have a major role to play in promoting this model and bringing it to life. In this respect, the commitment of everyone in the field, in the Boards and Shareholders' Meetings, is essential.
Thanks to the fifteen commitments of the benefit corporation, we are able to grow Crédit Mutuel, embody its ambitions and prepare a better future for our customers and members."

"Our commitments to gender equality, the work-study recruitment of young people excluded from employment and, more generally, non-discrimination are priorities of our diversity and inclusion policy. It means questioning our role as an employer, refusing all forms of discrimination and allowing everyone to develop according to their potential and aspirations. Beyond the numbers, the actions we take demonstrate our desire to take concrete and collective action to guarantee an inclusive work environment that respects all forms of diversity."

Laurent Torre
Director representing employees of Caisse Fédérale de Crédit Mutuel

"Fighting against all forms of discrimination is our profession of faith, a constant fight led by all our employees and elected members."

Pascale Ruquet
Head of Diversity and Inclusion Crédit Mutuel Alliance Fédérale

FIVE MISSIONS TO GUIDE ACTION

Five missions

Mission 1

"As a cooperative and mutualist organization, we support our customers and members in their best interests"

Mission 2

"As a bank for all, members and customers, employees and elected members, we act for everyone and refuse any discrimination"

Mission 3

"Respectful of everyone's privacy, we place technology and innovation at the service of people"

Mission 4

"As a solidarity-based company, we contribute to regional development"

Mission 5

"As a responsible company, we actively work for a fairer and more sustainable society"

100% of commitments achieved in 2023

Crédit Mutuel Alliance Fédérale has defined an ambition that places its customers at the heart of its daily action, broken down into fifteen concrete commitments to fight against all forms of discrimination, to protect digital privacy, to act for regional development and to build a fairer and more sustainable society.

1. Bring democracy to life in the bank by doubling the number of members voting at Shareholders' Meetings.
2. Guarantee to each customer a dedicated, non-commissioned advisor.
3. Give more place to young people and move towards parity on Boards of Directors.
4. Train all our employees and elected members in the fight against discrimination.
5. Recruit 25% of work-study students from priority neighborhoods and rural areas.
6. Defend gender pay equality at all levels of the bank.
7. Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France.
8. Invest productivity gains from artificial intelligence in employment and development.
9. Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at local banks or branches.
10. Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.
11. Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions.
12. Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12%*.
13. Promote the energy transition by no longer financing new oil and gas projects.
14. Insure the home loan of our loyal customers without any medical formalities.
15. Commit to customers in financial difficulty with an account at €1 net per month without any incident fees.

** By the end of 2022.*

Mission 1

SUPPORTING OUR CUSTOMERS AND MEMBERS IN THEIR BEST INTERESTS

As a cooperative and mutualist organization, Crédit Mutuel Alliance Fédérale's mission is to support its customers and members in their best interests. By becoming a benefit corporation, our bank wanted to strengthen the listening and voice of its members by giving Shareholders' Meetings a major role. The Shareholders' Meetings are essential moments for bringing the group's democracy to life and defending its mutualist values, which is why the mutualist bank is committed to doubling the number of shareholders at the Shareholders' Meetings of their local bank.

In 2023, members were able to vote in person, on a tablet or remotely (*via* their online banking or smartphone) or delegate their power of decision. This objective was achieved with more than 746,000 members voting in 2023, compared to 248,000 in 2019.

Actions are also carried out, in particular, by the Cooperative and Mutualist Life department to ensure better representation of the company. The changes are encouraging and the governance reform made it possible to achieve parity on the boards of the umbrella bodies in early 2024. Efforts must continue to be made, in particular, on the representation of young people on Boards of Directors.

With the creation of the Cooperative and Mutualist Life department, a dynamic of actions for the next four years has been defined to strengthen the membership, develop the recruitment of elected members and attract new generations (launch of recruitment guides for elected members, etc.). The training of elected members is also essential to fully fulfill their mission. Launched in 2023, the Mutualist University has trained more than 8,000 elected members in ecological and societal transformation.

→ **99.6%** of customers benefited from a dedicated non-commissioned advisor.

The close relationship remains at the heart of our development with the commitment to provide each of our clients with a dedicated, non-commissioned advisor. The excellence of the relationship was rewarded: for the twelfth time with the *Podium de la Relation Client®* in the banking category and once again in the top 10 for Customer Relations, all sectors of activity combined.

"Anchored in society, at the heart of the economic fabric and associations, elected members are united around the values of freedom, responsibility and solidarity. It is important to strengthen their support to carry out their duties under the best possible conditions (training, recruitment, representation, etc.) because the group's future will depend on its ability to mobilize a collective rich in its diversity and expertise."

Jean-Louis Maître
Chairman of the Fédération
du Crédit Mutuel Savoie-Mont Blanc

Trajectory of our operational commitments

Commitment #1

Bring democracy to life in the bank by doubling the number of members voting at Shareholders' Meetings

2019	↗ 2023
248,126 voters, or 5.4% of members.	746,875 voters, or 12.3% of members.

Commitment #2

Guarantee to each customer a dedicated, non-commissioned advisor

2021	↗ 2023
99.5% of customers benefited from a dedicated advisor.	99.6% of customers benefited from a dedicated advisor.
0 commission paid to the advisors of the Crédit Mutuel and CIC networks.	0 commission paid to the advisors of the Crédit Mutuel and CIC networks.

Commitment #3

Give more place to young people and move towards parity on Boards of Directors from 2022

2021	↗ 2023
39% of women among elected members.	41.8% of women among elected members.
8.7 % of young people among the newly elected members.	19.8% of young people among the newly elected members.*

Mission Committee opinion

The trajectory of mission 1 is the right one. The Mission Committee welcomes the doubling in 2023 of the number of voters at Shareholders' Meetings, which proves the strong mobilization of local banks. It welcomes the various measures put in place in the Crédit Mutuel Alliance Fédérale federations to increase the number of women and younger people on the Boards of Directors. The results are very encouraging and the momentum must be maintained. Lastly, the committee reiterates the importance of promoting the service of a dedicated non-commissioned advisor for each customer and member, in line with the group's DNA.

** The percentage of young people under the age of 35 among elected members was 3.26% in 2023 compared to 2.14% in 2021.*

3

Mission 2

ACTING FOR EVERYONE AND REFUSING ALL DISCRIMINATION

As a bank for all, members and customers, employees and elected members, we act for everyone and refuse any discrimination. It also means having a strong employer promise that is consistent with our purpose and missions. A social contract that promotes employment in all regions and builds employee loyalty. As part of the 2024-2027 strategic plan, we have set ourselves the target of more than 75% of employees and elected members being proud of their company.

The fight against discrimination first took the form of a national training plan. In 2023, more than 45,000 Crédit Mutuel Alliance Fédérale employees (98.7% of the social base) and more than 14,000 elected members (95.2% of the elected members) received a comprehensive training course on representations and stereotypes, our values and expected behaviors, etc. Other more targeted actions, in particular for HRDs, social partners and managers, have been undertaken.

Making differences our greatest asset.

Among the causes defended in the company, gender equality is a priority, particularly with regard to wages. We are committed to reducing salary gaps to a maximum of 3% by category and age group. In 2023, 674 employees benefited from a corrective measure. In addition, a comprehensive program of long-term commitments has been made to promote and support the careers of women.

After joining the #StOpE initiative against ordinary sexism on January 25, 2023, the group renewed its support in early 2024 and launched a manifesto and an internal communication campaign. The whistleblowing system will be strengthened.

Where training is concerned, no session of the School for directors starts without parity. A "Crédit Mutuel-Elles" female network was created in July 2023, with the aim of contributing to the acceleration of the professional success of the group's women.

In a difficult economic context, the group stepped up its action to promote the integration of young people into the professional world. In 2023, Crédit Mutuel Alliance Fédérale exceeded its target: 33% of young people were recruited in priority city neighborhoods and rural areas. More generally, many actions are rolled out in the regions for young people (job dating, integration actions, support for many initiatives at *École de la 2e Chance*, Sport in the city, etc.).

Camille Putois
Chief Executive Officer of the Business for Inclusive Growth (B4IG) business coalition

"Crédit Mutuel Alliance Fédérale confirmed its long-term commitment to combating discrimination, and promoting gender equality and diversity. The Mission Committee will continue to closely monitor the impact of these actions on gender and inclusion, and progress towards an ever more inclusive company."

Trajectory of our operational commitments

Commitment #4

Train all our employees and elected members in the fight against discrimination

2022

97.8% of employees

91.1% of elected members trained in the fight against discrimination.

↗ 2023

97.8% of employees

95.2% of elected members trained in the fight against discrimination.

Commitment #5

Recruit 25% of work-study students from priority neighborhoods and rural areas

2021

1,515 work-study students recruited of which **38.2%** from priority neighborhoods and rural areas.

2023

1,852 work-study students recruited of which **32.8%** from priority neighborhoods and rural areas*

Commitment #6

Defend gender pay equality at all levels of the bank

2022

3,872 employees benefited from a corrective measure.

2023

674 employees benefited from a corrective measure.

.3

Mission Committee opinion

The Mission Committee applauds the achievement of the indicators and the mission. The measures implemented to ensure gender equality, particularly in terms of pay, to promote women's careers and to combat ordinary sexism in companies, have made real progress possible. With regard to the integration of young people into employment, the committee is delighted at the number of work-study students recruited from priority city neighborhoods and rural areas. The Mission Committee will be particularly attentive to the HR challenges and objectives of the 2024-2027 strategic plan, including those in terms of gender equality. The representation of women in the governing bodies will be one of the points of vigilance of the Mission Committee.

**See the full performance overview.*

Mission 3

PUTTING TECHNOLOGY AND INNOVATION AT THE SERVICE OF PEOPLE

Respectful of everyone's privacy, Crédit Mutuel Alliance Fédérale puts technology and innovation at the service of people. Because banking is a technological industry, it is essential to constantly innovate, to master the technologies of the future and to ensure that they guarantee the group's sovereignty.

As the first bank to develop artificial intelligence solutions, Crédit Mutuel Alliance Fédérale continues to deploy its cognitive and OCR (optical character recognition) tools in all its business lines for the benefit of customer relations and the time that the advisor can devote to better meeting the needs of their customers. In 2023, more than 2.6 million hours were freed up on administrative tasks in the networks, equivalent to 1,671 FTE. In addition, the group continues to maintain employment with 2,584 permanent hires in 2023.

The challenge of accelerating the adoption of tools by all is major while continuing to keep customers and employees at the heart of a human relationship.

Today, we are at the dawn of a new breakthrough combining generative and quantum artificial intelligence, which should enable transactional improvement and free up even more consulting time for customers.

In an increasingly digital world, data protection is a priority for French people. Crédit Mutuel Alliance Fédérale gives itself the technical and financial resources to preserve the integrity and confidentiality of the data entrusted to it and undertakes to process more than 99% of the information in its infrastructures and systems located in France.

To ensure that all these developments continue to be fully controlled, the Mission Committee took part in discussions on the implementation of an AI ethics charter that reflects our values and guarantees a contract of trust with our customers and employees.

"Artificial intelligence is a tremendous asset for facilitating the work of banking advisors and renewing the customer experience. Nevertheless, it must be deployed in a reasoned and structured manner, taking care not to dehumanize the banking relationship. By developing a trust charter, we reaffirm that technology and innovation must remain at the service of people in accordance with our missions."

Xavier Jaravel
Professor at the London School of Economics (LSE) and member of the Economic Analysis Council (CAE)

Trajectory of our operational commitments

Commitment #7

Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France

2021

>99.9% of processing performed on infrastructure hosted in the company's data centers.

2023

>99.9% of processing performed on infrastructure hosted in the company's data centers.

Commitment #8

Invest productivity gains from artificial intelligence in employment and development

2021

Productivity gains equivalent to **900** FTE

Job retention with **1,596** permanent hires.

↗ 2023

Productivity gains equivalent to **1,671** FTE

Job retention with **2,584** permanent hires.*

"Technology is everywhere in society, it is normal that it is at the heart of the challenges of our banking and insurance business lines. Our group continues its revolution and continues to develop the digital solutions and tools of tomorrow for responsible use in all our businesses, guaranteeing data security and an enhanced relationship of the customer and employee experience."

Laurent Nallet
Representing CIC employees

Mission Committee opinion

The Mission Committee notes the achievement of the indicators contributing to the achievement of the mission. It confirms the importance of current and future technological transformations, including investments in quantum. It proposes to reflect on the evolution of the commitment to productivity gains and artificial intelligence. Work on trusted AI, in collaboration with the Mission Committee, made it possible to define an AI ethics charter applicable to the entire group. During its discussions on AI, the committee was attentive to the challenges of transparency, data protection, and the deployment of an inclusive and environmentally-friendly AI.

**See the full performance overview.*

Mission 4

CONTRIBUTING TO REGIONAL DEVELOPMENT

As a solidarity-based company, Crédit Mutuel Alliance Fédérale's mission is to contribute to regional development. Thanks to its decentralized organization, the mutualist bank acts in an appropriate and efficient manner to meet the needs of its customers.

➔ In 2023, **92.9%** of loans decisions are taken locally.

As the leading banking partner of associations, Crédit Mutuel Alliance Fédérale strengthens its commitment to those who develop the life of associations and contribute to the vitality of the regions. Established during the COVID crisis to help associations, Pay Asso is now free, as is the civil liability of executives.

With the Societal Dividend, Crédit Mutuel Alliance Fédérale is stepping up its support for local associations. Since September 2023, local cultural, sports and leisure associations have been 100% exempt from all general operating expenses associated with managing their accounts. These associations benefited from nearly €2 million thanks to the 100% reimbursement of their banking package.

Lastly, Crédit Mutuel Alliance Fédérale, through its subsidiary Crédit Mutuel Equity, supports the initiatives and innovative projects of 280 companies by investing the bank's equity over time with a constant concern for financial, economic, social and environmental impacts. The acquisition of equity investments in SMEs and mid-sized companies helps to develop innovation, growth and employment in our regions.

"Each French region, each territory is a source of wealth and future. Thanks to the density of its network of branches, Crédit Mutuel Alliance Fédérale has always been at the heart of economic and social ecosystems. Today, the challenge is to support all local players, whether they are individuals, associations or innovative companies, who bring these regions to life."

Sandrine Pelletier
Chairwoman and Chief Executive Officer
of APLIX group and Director of CIC Ouest

Trajectory of our operational commitments

Commitment #9

Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at local banks or branches

2021

91.3% of lending decisions were taken locally within the Crédit Mutuel and CIC networks

↗ 2023

92.9% of lending decisions were taken locally within the Crédit Mutuel and CIC networks

Commitment #10

Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers

2021

100% of eligible associations can benefit from the Pay Asso solution and free Civil Liability plan for Managers.

2023

100% of eligible associations can benefit from the Pay Asso solution and free Civil Liability plan for Managers.

Commitment #11

Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions

2021

5.05% of the group's equity invested by Crédit Mutuel Equity in French companies that have been analyzed for maturity in terms of innovation, growth and/or job creation

↗ 2023

5.83% of the group's equity invested by Crédit Mutuel Equity in French companies that have been analyzed for maturity in terms of innovation, growth and/or job creation*

Mission Committee opinion

The Mission Committee welcomes the actions put in place to contribute to the development and vitality of the regions. It is particularly attentive to the means deployed to combat the social isolation of people living in solidarity deserts, by supporting non-profit organizations. The Mission Committee encourages the deployment of future actions in all regions in a balanced manner and according to needs.

** More than 85% of companies are considered to be innovative, growing and/or creating jobs. See the full performance overview.*

Mission 5

BUILDING A FAIRER AND MORE SUSTAINABLE SOCIETY

As a responsible company, Crédit Mutuel Alliance Fédérale wants to work for a fairer and more sustainable society. With its 2024-2027 strategic plan, the mutualist group is strengthening its commitments to the ecological transition and the decarbonization of the economy.

Crédit Mutuel Alliance Fédérale has committed to reducing its carbon emissions by 20% and the carbon footprint of its investment portfolios by 12% by the end of 2022. After announcing in 2020, its total exit from coal by 2030, the group stopped any financing of new oil and gas exploration, production, infrastructure or transformation projects in 2021.

The launch of the Societal Dividend has accelerated the financing of the ecological and societal transformation. New offers with subsidized pricing encourage customers to switch to soft mobility; more than €6 million were committed in 2023 with the 0% bicycle loan, which already has more than 30,000 beneficiaries - a boost of €200 per beneficiary customer. Significant investments have also been made by the Environmental and Solidarity Revolution Fund in sustainable energy production and food. The Fondation Crédit Mutuel Alliance Fédérale launched its first call for biodiversity projects in the amount of €2.5 million and supports more than 36 associations, particularly for the restoration of marine and ultra-marine ecosystems and terrestrial wetlands.

→ In 2023, **55%** of the group's customers purchasing their main residence did not have any medical formalities compared to approximately 25% at the national level according to the Financial Sector Advisory Committee.

Because health should not be an obstacle to access to home ownership, from November 2021, Crédit Mutuel Alliance Fédérale insured the home loan of its loyal customers for their main residence, without any medical formalities, by going well beyond the legal obligations. In a context of rising consumer prices that is reducing the purchasing power of the most disadvantaged, Crédit Mutuel Alliance Fédérale is reaffirming its desire to act for those in a situation of financial fragility. It undertakes for them with an account at €1 net per month with no incident fees.

"Today, the ecological transition has become obvious for society as a whole. Local banks and branches are on the front line to support our customers, particularly in terms of eco-renovation or clean mobility. To do this, we are adapting our offers, our skills and our tools. Training, particularly for local managers and directors, is becoming an essential link in this transformation."

Audrey Hammerer
Director representing employees of Caisse Fédérale de Crédit Mutuel
(Fédération du Crédit Mutuel Dauphiné-Vivarais)

Trajectory of our operational commitments

Commitment #12

Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022*

2020

-20.7% reduction in the group's carbon footprint between the end of 2018 and the end of 2020.

-27.9% reduction in the carbon footprint of customer portfolios between June 2018 and June 2021.

↗ 2022

-30.4% reduction in the group's carbon footprint between the end of 2018 and the end of 2022.

-57.6% reduction in the carbon footprint of customer portfolios between June 2018 and June 2023.

Commitment #13

Promote the energy transition by no longer financing new oil and gas projects

2021

0 new financing projects in oil & gas since October 2021.

2023

0 new financing projects in oil & gas and strengthening of the Hydrocarbons sectoral policy with new requirements for energy companies producing oil and gas.**

3

Commitment #14

Insure the home loan of our loyal customers without any medical formalities

2021

80,400 beneficiaries.

↗ 2023

Since the launch in 2021, more than **165,400** beneficiaries.

0 medical formality (up to €500,000 per borrower and for policyholders under the age of 62).

Commitment #15

Commit to customers in financial difficulty with an account at €1 net per month without any incident fees

2022

53,033 beneficiaries.

1st year of this measure as a commitment of the benefit corporation.

↗ 2023

58,333 beneficiaries.

Mission Committee opinion

The Mission Committee applauds the achievement of the commitments of mission 5. The trajectory of the group's carbon footprint is remarkable. The first actions rolled out as part of the Societal Dividend have accelerated the momentum. The environmental and societal objectives will have to be adapted in line with the ambitions set in the 2024-2027 strategic plan, and with the support of the Mutualist Environmental and Solidarity Institute.

** See non-financial performance statement for 2023, France scopes 1, 2 and 3 energy consumption, refrigerant gas leaks, motor fleet and business travel. This indicator is limited to 2022. Planned overhaul of future objectives in line with the new 2024-2027 strategic plan.*

*** Detailed commitment in the hydrocarbon sector policy, available on the website www.bfcm.creditmutuel.fr.*

COMPLETE PERFORMANCE OVERVIEW

Mission 1

As a cooperative and mutualist organization, we support our customers and members in their best interests

1	Bring democracy to life in the bank by doubling the number of members voting at Shareholders' Meetings.	
Indicators: • **2023: 12.3%** of members voting at Shareholders' Meetings at 12/31/2023. • **2022: 4.5%** • **2021:** NS (Covid situation) • **2019: 5.4%**	**Scope:** Crédit Mutuel local banks.	**Means:** • Launch of remote voting on smartphones and tablets in 2022. • Deployment of specific communication actions. • Deployment of the Cooperative and Mutualist Life department.

2	Guarantee to each customer a dedicated, non-commissioned advisor.	
Indicators: • **2023: 99.6%** of customers assigned to a dedicated non-commissioned advisor. • **2022: 99.5%** • **2021: 95.5%** The proportion of customers who do not have a dedicated advisor corresponds to transitional periods, particularly in the event of a change in the assignment of advisor.	**Scope:** French banking network (Crédit Mutuel: Crédit Mutuel local banks, corporate business center, Crédit Mutuel and Caisse Fédérale de Crédit Mutuel regional banks, CIC: all regional banks except for CIC DIF restricted to the branch network only).	**Means:** Human resources policy: no commercial incentive or individual variable compensation.

3	Give more place to young people and move towards parity on Boards of Directors from 2022.	
Indicators: • **2023: 41.8%** of women among elected members, **3.26%** of young people among elected members and **19.8%** of young people (under 35 as of 12/31) among the newly elected members. • **2022: 40.0%** of women among elected members, **2.37%** of young people among elected members and **12.8%** of young people among the newly elected members. • **2021: 39.0%** of women among elected members, **2.14%** of young people among elected members and **8.7%** of young people among the newly elected members.	**Scope:** Crédit Mutuel local banks.	**Means:** • Strengthening communication with the support of the local banks' Boards of Directors. • Deployment of the Cooperative and Mutualist Life department.

Mission 2

A bank for all, members and customers, employees and elected members, we act for everyone and refuse any discrimination

4	Train all our employees and elected members in the fight against discrimination.	
Indicators: • **2023: 98.7%** of employees present and **95.2%** of elected members trained in the anti-discrimination module. • **2022: 97.8%** of employees present and **91.1%** of elected members.	**Scope:** • Social base: Global scope of the group agreement. • Local banks: all elected members.	**Means:** • Mandatory training module for all employees. • Mandatory awareness-raising session for Boards of Directors from 2022. • Deployment of the Mutualist University online for elected members. • Overhaul of the alert and monitoring system.

.3

5	Recruit 25% of work-study students from priority neighborhoods and rural areas.	
Indicators: • **2023: 32.8%** of work-study students from priority neighborhoods and rural areas. • **2022: 42.1%** • **2021: 38.2%**	**Scope:** Social base: Global scope of the group agreement. **Comment:** The target has been exceeded. However, there has been a decrease in the recruitment rate in rural areas (ZRR) and priority neighborhoods (QPV). The number of work-study students recruited in 2023 (1,852 vs. 1,515 in 2021) was up by 22%. The number of work-study students from the ZRR and QPV has decreased, despite the offers proposed.	**Means:** • Participation in dedicated "job dating" sessions. • Strengthening partnerships with associations. • Testing of new measures to develop integration actions.

6	Defend gender pay equality at all levels of the bank.	
Indicators: • **2023:** As the majority of discrepancies had been addressed in 2022, **674** employees benefited from a corrective measure in 2023 (**561 women and 113 men).** The indicator monitored is the percentage of average pay gap between women and men by age group and category. Additional work to the scope defined was carried out in the main subsidiaries (TARGOBANK in Germany, Cofidis France, Banque de Luxembourg). • **2022:** there were still 37 women out of 27,500 (or 0.1%) whose situation needed to be analyzed. For the others, average gap of less than 3% in categories by age group. 0.5% of payroll expense allocated to correcting gender pay gaps in 2022. **3,872 employees** benefited from a corrective measure. • **2021: NA**	**Scope:** Social base: Global scope of the group agreement.	**Means:** • Negotiation of a group agreement with the representatives of the trade unions for 2022. • Permanent monitoring of pay gaps with implementation of a dedicated management tool for the HR department.

Mission 3

Respectful of everyone's privacy, we place technology and innovation at the service of people

7	Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France.	
Indicators: • **2023: >99.9%** of data processed in our infrastructures. • **2022: >99.9%** (1st year of implementation).	**Scope:** Bancassurance activities in France concerning the processing of customer data. Number of hits for eligible external services: outsourced services are excluded for regulatory or market reasons (interbank systems, market standards, etc.).	**Means:** • Strong growth in investments in the group's IT infrastructures, via highly secure data centers and private cloud. • Establishment of two new data centers owned exclusively by Euro-Information, a subsidiary of Crédit Mutuel Alliance Fédérale. • Internalization of SAAS solutions on the private cloud operated by the internal teams.

8	Invest productivity gains from artificial intelligence in employment and development.	
Indicators: • **2023: 1,671** productivity gains in FTE, **2,584** permanent hires. • **2022: 1,570** productivity gains in FTE, **2,378** permanent hires. • **2021: 900** productivity gains in FTE, **1,596** permanent hires.	**Scope:** • Scope of FTE gains: France network. • Scope of recruitment: common social base in France.	**Means:** • High-growth investments in technology and artificial intelligence. • Social policy that favors training, career development and job creation. **Comment:** • Technological innovation (OCR, email analyzer, electronic signature, digitization of contracts, etc.) frees up administrative time for advisors who can thus focus on supporting their clients in their projects. • These productivity gains, translated into FTE equivalents, are reinvested in the development of customer relations and employment in accordance with the group's social policy.

Mission 4

As a solidarity-based company, we contribute to regional development

9 Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at local banks or branches.

Indicators:	Scope:	Means:
• **2023: 92.9%** of loans granted locally. • **2022: 91.7%** • **2021: 91.3%**	Crédit Mutuel and CIC networks.	• Decentralized organization with predominantly local lending decisions. **Comment:** • Achievement of this objective depends on economic developments (impacts of the economic situation on the granting of credit) or regulatory changes (risk management, levels of delegations).

10 Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.

Indicators:	Scope:	Means:
• **2023: 100%** of sports and cultural associations have been benefiting from the Pay Asso solution since January 2022 and **100%** of managers of customer sports and cultural associations are eligible for free civil liability cover. • **2022: 100%** • **2021: 100%**	France network (Crédit Mutuel local banks and CIC branches).	• Free Pay Asso solution for eligible associations. • Free civil liability for eligible executives.

Eligibility:
- The Pay Asso solution is free of charge for associations governed by the law of July 1, 1901 or under the local law of Alsace-Moselle, with an exclusively sporting or cultural object and a non-profit purpose, with an annual budget of less than €500,000, and a Crédit Mutuel account holder.
- Free civil liability for directors of sports and cultural associations, up to a ceiling.

11 Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions.

Indicators:	Scope:	Means:
• **2023: 5.83%** of group shareholders' equity mainly in innovative French companies. • **2022: 5.04%** • **2021: 5.05%** **Sub-indicators:** Maturity of innovation, revenue growth and employment development of portfolio companies at Crédit Mutuel Equity: more than **85%** of companies are considered innovative, growing and/or creating jobs.	Crédit Mutuel Equity.	• Dedicated shareholders' equity structure. • Implementation of a dynamic mapping of investments. **Methodology for the sub-indicators:** • Innovation: annual analysis. • Growth: calculation of revenue differential between year n-1 and first-time investment. • Employment: calculation of revenue differential between year n-1 and first-time investment.

3

Mission 5

As a responsible company, we actively work for a fairer and more sustainable society

12 Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022.

Indicators:

- **Reduction of the group's carbon footprint:** energy, refrigerants, motor fleet, business travel scope - comparison at the end of 2018.
  - **December 2022: - 30.4%**
  - **December 2021: - 21.4%**
  - **December 2020: - 20.7%**
- **Reduction of the carbon footprint of the corporate loan portfolio comparison with June 2018.**
  - **June 2023: - 57.6%**
  - **June 2022: - 54.6%**
  - **June 2021: - 27.9%**

Scope:
See explanations, scope and methodological details in the group's 2023 non-financial performance statement, included in the 2023 universal registration document available online. As part of the 2024-2027 strategic plan, new indicators and calculation methods will be based on the work carried out by the Mutualist Environmental and Solidarity Institute.

Means:

- Sectoral policies (coal, mobility, agriculture, hydrocarbons, etc.).
- Energy sobriety policy (office life and travel).

13 Promote the energy transition by no longer financing new oil and gas projects.

Indicators:

- **2023: 0** financing of new oil and gas projects.
- **2022: 0**
- **2021: 0 since October**

Scope:
Crédit Mutuel Alliance Fédérale group.

Means:
Detailed commitment in the hydrocarbon sector policy, available on the website www.bfcm.creditmutuel.fr.

14 Insure the home loan of our loyal customer without any medical formalities.

Indicators:

- **2023: 40,000** beneficiaries.
- **2022: 45,000** beneficiaries.
- **2021: 80,400** beneficiaries.

The situation of many customers was regularized following this measure, which explains the large number of beneficiaries in the first year.

Scope:
Crédit Mutuel and CIC networks - France network (Crédit Mutuel local banks and CIC branches).

Means:

- Elimination of the health questionnaire for loyal customers.
- End of pricing based on the customer's pathology or body mass index.
- End of exclusions of specific risks.

Eligibility:
Customers domiciling their main income for seven years; insured amount up to €500,000 per borrower for the purchase of the primary residence; policyholder under 62 years of age at the time of underwriting.

15 Commit to customers in financial difficulty with an account at €1 net per month without any incident fees.

Indicators:

- **2023: 58,333** beneficiaries.
- **2022: 53,033** beneficiaries.

1st year of this measure as a commitment of the benefit corporation.

Scope:
Crédit Mutuel and CIC networks - France network (Crédit Mutuel local banks and CIC branches).

Means:
Development of a vulnerable customer offer marketed since August 2022.

KPMG SA, an accounting and statutory audit firm registered with the Paris Order of Chartered Accountants under number 14-30080101 and attached to the *Compagnie régionale des commissaires aux comptes de Versailles et du Centre*. French company, member of the KPMG network consisting of independent firms affiliated with KPMG International Limited, a company incorporated under English law ("private company limited by guarantee").

Société anonyme à conseil d'administration (joint-stock company with a Board of Directors)
Registered office:
2 avenue Gambetta
CS 60055
92066 Paris La Défense Cedex
Share capital: €5,497,100
775 726 417 RCS Nanterre

REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE EXECUTION OF SOCIAL AND ENVIRONMENTAL OBJECTIVES

Year ended December 31, 2023

To the company's Shareholders' Meeting,

In our capacity as statutory auditor of your company (hereinafter "entity"), designated as an independent third party ("third party"), accredited by COFRAC under number 3-18841, we carried out work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on the historical information related to the achievement of the social and environmental objectives that your entity has set for the scope concerned by the status of benefit corporation as presented in the Mission Committee's reports for the period from January 1, 2022 to December 31, 2023, appended to the management reports pursuant to the provisions of Article L.210-10 of the French Commercial Code.

Conclusion

Compliance with all social and environmental objectives

Based on the procedures we implemented, as described in the "Nature and scope of the work" section, and the information we collected, we did not identify any significant anomalies that would call into question, for the scope concerned by the status of benefit corporation and at the end of the period covered by our audit:

- the fact that the entity has achieved the operational objectives it has defined for each social or environmental objective selected pursuant to paragraph 2 of Article L.210-10 and included in its articles of association, and
- consequently, Crédit Mutuel Alliance Fédérale complies with each of the social and environmental objectives that it has set itself the mission of pursuing, in line with its *raison d'être* and its activity with regard to its social and environmental challenges.

Comments:

Without calling into question the conclusion expressed above, we make the following comments:

- Based on our review of the consistency of the entity's objectives, raison d'être and activity with regard to its social and environmental issues, carried out in accordance with applicable professional doctrine, it appears to us that the link between the group's *raison d'être "Ensemble, écouter et agir* (Listening and acting together)" and its activities could be better specified, this link being nevertheless detailed in the Mission Committee's report. Nevertheless, we understand that the generic nature of the raison d'être is partly dictated by the diversity of the group's activities.
- Regarding the operational objective "Investing productivity gains from artificial intelligence in employment and development", we note that it could be clarified, in particular concerning the correlation sought between productivity gains resulting from intelligence on the one hand, and employment and development within the company on the other.

Preparation of information related to the implementation of social and environmental objectives

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Consequently, information related to the implementation of social and environmental objectives must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the reports of the Management Committee (or available on the entity's website or on request).

[1] *Cofrac Inspection accreditation, No. 3-1884, scope available on the website www.cofrac.fr*

Limitations inherent in the preparation of information related to the implementation of social and environmental objectives

As stated in the Statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

The entity is responsible for:

- setting up a Mission Committee responsible for preparing an annual report in accordance with the provisions of Article L.210-10 of the French Commercial Code;
- selecting or establishing appropriate criteria and procedures to prepare the entity's Guidelines;
- designing, implementing and maintaining internal control over the relevant information for the preparation of the engagement committee report as well as implementing the internal control that it deems necessary for the preparation of the information related to the execution of the social and environmental objectives that are free from material misstatements, whether due to fraud or error;
- preparing information related to the implementation of social and environmental objectives in accordance with the Guidelines and made available to the Mission Committee.

It is the responsibility of the Mission Committee to prepare its reports on the basis of the information related to the implementation of social and environmental objectives provided by the entity and by carrying out any checks it deems appropriate.

These reports are attached to the Board of Directors' management reports.

Responsibility of the statutory auditor appointed as an independent third party

Pursuant to the provisions of Article R. 210-21 of the French Commercial Code, it is our responsibility to issue a reasoned opinion expressing a conclusion of moderate assurance on the entity's compliance with the objectives. social and environmental issues that it has set for itself as a benefit corporation.

As it is our responsibility to make an independent conclusion on the information related to the execution of social and environmental objectives, we are not authorized to be involved in the preparation of said information, as this could compromise our independence.

Regulatory requirements and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Article R.210-21 of the French Commercial Code, the professional doctrine of the *Compagnie nationale des commissaires aux comptes* relating to this intervention taking into account the verification program and the international standard ISAE 3000 (amended)[2].

Independence and quality control

Our independence is defined by the provisions of Article L.822-11 of the French Commercial Code and the profession's code of ethics. Furthermore, we implemented a quality control system that includes documented policies and procedures intended to ensure compliance with professional standards and applicable regulations and legislation, ethical rules and the professional doctrine of the *Compagnie nationale des commissaires aux comptes*.

Means and resources

Our work was conducted by a skilled team of four persons, took place between December 2023 and April 2024 and lasted for seven weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. In particular, we conducted around 20 interviews with those responsible for preparing historical information related to the execution of social and environmental objectives.

Nature and scope of the work

We have planned and carried out our work taking into account the risk of material misstatement of the information relating to the execution of the social and environmental objectives that the entity sets itself the mission of pursuing in the scope concerned by the status of benefit corporation.

We believe that the procedures we conducted in the exercise of our professional judgment enable us to provide a moderate assurance engagement.

We obtained an understanding of the entity's activities in the scope concerned by the status of a benefit corporation, the formulation of its raison d'être as well as its social and environmental challenges.

Our work focused on:

- on the one hand, the consistency of the social and environmental objectives adopted pursuant to paragraph 2 of Article L.210-10 and included in its articles of association, and the purpose of the entity specified in its articles of association (hereinafter: after "*raison d'être*") and its activity with regard to its social and environmental issues;
- on the other hand, the execution of these objectives.

[2] ISAE 3000 (amended) – Assurance engagements other than audits or reviews of historical financial information.

Concerning the consistency of the entity's objectives, raison d'être and activity with regard to its social and environmental challenges::

- We conducted interviews to assess the commitment of management and members of governance with regard to the expectations of the main internal or external stakeholders affected by the entity's activity.
- We assessed the processes put in place to structure and formalize this approach by relying on:
  - the information available in the entity (for example, minutes of Board meetings, discussions with the Social and Economic Committee, minutes or support for meetings with internal or external stakeholders, risk analyses);
  - the roadmap of the benefit corporation and the last reports of the Mission Committee drawn up since the last audit;
  - where applicable, its publications (e.g. sales brochure, management report, integrated report, non-financial performance statement, on the website).
- Given the entity's activity with regard to its social and environmental challenges, we assessed the consistency between:
  - the information collected;
  - the *raison d'être* and
  - the social and environmental objectives set out in the articles of association.

With regard to the implementation of the social and environmental objectives, we inquired about the existence of operational objectives and key indicators for monitoring and measuring their achievement by the entity at the end of the period covered by the audit for each social and environmental objective, and we verified whether the operational objectives were achieved with regard to the trajectories defined by the entity in the scope concerned by the status of benefit corporation.

To do this, we carried out the following procedures:

- we took note of the documents prepared by the entity to report on the exercise of its mission, in particular the provisions specifying the operational objectives and the associated monitoring procedures, as well as the reports of the Mission Committee;
- we inquired about the assessment of the execution of the social and environmental objectives from the Mission Committee and we corroborated the information collected with the perception that the stakeholders have of the effects and impacts of the entity. In addition, we reviewed the analysis presented in the Mission Committee reports and the results achieved at the maturity of the operational objectives in relation to their defined trajectories, to assess compliance with social and environmental objectives;
- we asked the entity's Executive Management about the financial and non-financial resources implemented to meet the social and environmental objectives;
- we verified the presence in the Audit Committee reports of indicators consistent with the operational objectives and able to demonstrate the positioning of the operational objectives on their defined trajectories;
- we assessed the adequacy of the resources implemented to meet the operational objectives in relation to their trajectories, compared to the evolution of business over the period;
- we verified the accuracy of all these indicators, and in particular:
  - assessed the appropriateness of the entity's Guidelines with regard to its relevance, completeness, reliability, neutrality and understandability;
  - verified that the indicators cover the entire scope concerned by the status of benefit corporation;
  - took note of the internal control procedures implemented by the entity and assessed the collection process aimed at ensuring the accuracy of these indicators;
  - implemented analytical procedures consisting of verifying the correct consolidation of collected data as well as the consistency of changes to them;
  - implemented detailed tests based on sampling or other selection methods, consisting of verifying the proper application of definitions and procedures, and of reconciling data with supporting documents. This work was carried out by audits at the entity's head office and covers 100% of the data used to calculate the indicators;
  - assessed the overall consistency of the Mission Committee's reports with regard to our knowledge of the entity and the scope concerned by the status of benefit corporation.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional doctrine of the Compagnie nationale des commissaires aux comptes; a higher level of assurance would have required more extensive audit work.

Paris la Défense, April 9, 2024
KPMG SA

Arnaud Bourdeille
Partner

Fanny Houlliot
ESG expert

3

Caisse Fédérale de Crédit Mutuel, a mutualist company in the form of a *société anonyme* (French Limited Company) with a share capital of €5,458,531,008, 4 rue Frédéric-Guillaume Raiffeisen, 67913 Strasbourg Cedex 9, RCS Strasbourg B 588 505 354 - ORIAS No.: 07 003 758. Bank governed by Articles L.511-1 et seq. of the French Monetary and Financial Code.• **Design and production:** alcalie.fr • **Photo credits:** Crédit Mutuel Alliance Fédérale, Nicolas Reitzaum, Margot l'Hermite, Audrey Grilliat. • April 2024 • **Printed in France on certified paper.**

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The mission of the Crédit Mutuel Alliance Fédérale Foundation is to support research projects that contribute to limiting the impact of the environment on health. As a partner of the **Fondation du Souffle**, it supports new projects in the field of respiratory diseases.

Corporate governance

PREAMBLE

Crédit Mutuel Alliance Fédérale does not have one single deliberative body. Each Crédit Mutuel bank appoints a Board of Directors composed of voluntary members elected by the members at a Shareholders' Meeting. The banks then elect their representative at the federation level from among these members. The Chairman of the Federation (or of a district for Fédération du Crédit Mutuel Centre Est Europe) may become a member of the Board of Directors of Caisse Fédérale de Crédit Mutuel or its subsidiary, BFCM.

Bearing these factors in mind, the "Corporate Governance" chapter presents two reports on corporate governance: one for the Caisse Fédérale de Crédit Mutuel as a representative of the consolidatinghead company and one for BFCM.

4.1 CAISSE FÉDÉRALE DE CRÉDIT MUTUEL – CORPORATE GOVERNANCE REPORT

EXECUTIVE MANAGEMENT

1 CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER
Mr. Daniel Baal

1 DEPUTY CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER
Mr. Éric Petitgand

1 DEPUTY CHIEF EXECUTIVE OFFICER
Mr. Frantz Rublé

56% men
44% women

62 average age of directors

5 meetings in 2023

THE BOARD OF DIRECTORS

97% attendance rate of directors

20 DIRECTORS *(voting rights)*

15 CENSORS *(advisory votes)*

2 SEC* REPRESENTATIVES *(advisory votes)*

2 REPRESENTATIVES OF OTHER REPRESENTATIVE TRADE UNION ORGANIZATIONS *(advisory votes)*

SPECIALIZED COMMITTEES

COMPENSATION COMMITTEE

6 MEMBERS
4 MEETINGS
100% ATTENDANCE RATE OF MEMBERS

APPOINTMENTS COMMITTEE

6 MEMBERS
11 MEETINGS
92% ATTENDANCE RATE OF MEMBERS

GROUP AUDITING AND ACCOUNTING COMMITTEE

7 MEMBERS + 9 GUEST MEMBERS REPRESENTING THE FEDERATIONS
5 MEETINGS
96% ATTENDANCE RATE OF MEMBERS

GROUP RISK MONITORING COMMITTEE

6 MEMBERS + 10 GUEST MEMBERS REPRESENTING THE FEDERATIONS
8 MEETINGS
93% ATTENDANCE RATE OF MEMBERS

Data at December 31, 2023.
Scope of attendance rate and average age: directors including directors representing employees.
Scope of parity: directors excluding directors representing employees.
Committee attendance rate scope: members.
** Social and Economic Committee.*

4.1.1 Introduction

The provisions of Article L.225-37 of the French Commercial Code state that the Board of Directors shall present to the Ordinary Shareholders' Meeting a corporate governance report alongside the management report.

In accordance with Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, this report shall include:

- a list of all of the terms and duties exercised in any company by each corporate officer during the fiscal year;
- the composition of the Board and the conditions for the preparation and organization of its work;
- agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another company controlled by the former within the meaning of Article L.233-3, with the exception of agreements relating to current transactions and entered into under normal conditions;
- a summary table of the current delegations of authority granted by the Shareholders' Meeting in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2, showing the use made of these delegations during the fiscal year;
- at the time of the first report or in the event of any change, the method elected between the two options for Executive Management provided for in Article L.225-51-1;
- a description of the diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender or qualifications and professional experience, and a description of the objectives of such a policy, its implementation procedures and the results obtained during the past fiscal year. This description shall be supplemented by information on the manner in which the company seeks a balanced representation of women and men within the committee established, if any, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender balance; in the 10% of positions with the highest level of responsibility. If the company does not apply such a policy, the report shall include an explanation of the reasons for not doing so;
- any restrictions that the Board of Directors may impose on the powers of the Chief Executive Officer;
- where a company voluntarily refers to a Corporate Governance Code drawn up by a professional organization, the provisions that have been disregarded and the reasons why, as well as the place where this code can be consulted, or, in the absence of such a reference to a code, the reasons why the company has decided not to refer to it, as well as, where applicable, the rules adopted in addition to the requirements laid down by law.

As it is not a company whose shares are admitted to trading on a regulated market, Caisse Fédérale de Crédit Mutuel does not refer to the Afep-Medef Code.

Caisse Fédérale de Crédit Mutuel complies with the corporate governance regulations applicable to credit institutions. In this respect, it is recalled that the European Banking Authority (EBA) has issued guidance on internal governance (EBA/GL/2021/05) as well as guidance on the assessment of the suitability of members of the management body and holders of key positions (EBA/GL/2021/06) dated July 2, 2021.

In its compliance notices of December 7, 2021, the ACPR declared itself compliant with the guidance on internal governance and partially compliant with the guidance on suitability assessment.

An excerpt from the ACPR's compliance notice on how to apply the suitability assessment guidelines is reproduced below:

"This notice specifies the paragraphs of the EBA guidelines EBA/GL/2021/06 with which the ACPR (i) intends to comply: i.e. paragraphs 1 to 162; 164 to 171; 174 to 176; 178 to 207 of the guidelines and (ii) therefore expects the aforementioned institutions to comply with these paragraphs.

Indeed, the ACPR does not intend to comply with the provisions of paragraphs 172 and 173 (assessment of the suitability of the heads of internal control functions and of the Chief Financial Officer by the competent authority) as well as paragraphs 163 and 177 (transmission to the competent authority of the results and documentation relating to the internal assessment of the heads of internal control functions and the Chief Financial Officer). This statement does not call into question the procedures already in place, which will continue to apply for the assessment of persons responsible for internal control at approval and in the event of a change of control.

In addition, the ACPR intends to apply the guidelines relating to attendance and the definition of independent members with two interpretative qualifications:

- *the formal independence of the members of the management body and of the members of the Risk Committee and the Appointments Committee does not constitute a criterion of suitability under current French laws and regulations, which would be enforceable in the context of the examination of an individual application. Under French law, the implementation of the guidelines cannot therefore lead to the refusal of an individual application on this ground alone under the "fit and proper" principle. […] The ACPR considers the presence of independent members on supervisory bodies and other specialized committees to be good practice and not a legal or regulatory requirement;*
- *as a matter of law, failure to meet one or more of the criteria listed in the guidelines (paragraph 89) does not constitute a presumption that a member is not independent. Non-compliance with these criteria does not exhaust the notion of independence and the analysis of this quality must also take into account other measures, in particular those developed by French institutions within the framework of the laws and regulations in force and which could make it possible to achieve the same objective of independence.*

Pursuant to paragraph (88)(b) of the suitability assessment guidance, the ACPR also intends not to require independent members in relevant institutions that are wholly owned by a relevant institution, and in investment firms that meet the criteria set out in Article 32(4)(a) of Directive 2019/2034/EU or other criteria laid down by a relevant Member State in accordance with Article 32(5) and (6) of Directive No 2019/2034/EU."

This corporate governance report explains how Caisse Fédérale de Crédit Mutuel has implemented the guidelines in accordance with the ACPR Notice and its own interpretation.

The report was also prepared in accordance with Annex I of Delegated Regulation 2019/980 of March 14, 2019.

4.1.2 Composition of the management bodies as of December 31, 2023

Presentation of the Board of Directors as of December 31, 2023

COMPOSITION OF THE BOARD OF DIRECTORS

	Age[1]	Gender	Start of term of office	End of term of office	Committees[2]	Attendance at board
Nicolas THÉRY *Chairman*	58	M	2014	2025	GRMC	100%
Hélène DUMAS *Vice-Chairwoman*	66	F	2022	2026	Appointments	100%
Marie-Jean BOOG	62	F	2022	2024	-	100%
Gérard CORMORÈCHE	66	M	1995	2025	GAAC	83%
Bernard DALBIEZ	65	M	2019	2025	Appointments	100%
Nicolas HABERT	61	M	2020	2024	GRMC	100%
Marie JOSSO	45	F	2022	2025	Compensation	100%
Christine LEENDERS	67	F	2017	2026	GRMC Compensation	100%
Jean-Louis MAÎTRE	66	M	2019	2025	-	83%
Monique BOUGHELILBA	58	F	2023	2026	-	100%
Bich Van NGO	67	F	2023	2024	**GAAC**	100%
Frédéric RANCHON	57	M	2018	2024	-	75%
Agnès ROUXEL	65	F	2017	2026	Appointments	100%
Daniel SCHOEPF	68	M	2018	2026	**GRMC**	100%
Jacques SIMON	67	M	2022	2024	-	100%
Annie VIROT	68	F	2017	2026	**Compensation**	100%
Alex WEIMERT	69	M	2020	2026	-	100%
Luc WYNANT	57	M	2022	2025	GAAC	100%
Audrey HAMMERER *Director representing employees*	45	F	2016	2025	Compensation	100%
Laurent TORRE *Director representing employees*	56	M	2020	2025	-	100%

In the Committees column, the Committee Chairmen are shown in bold in blue.
(1) Age at 12/31/2023.
(2) GRMC: Group Risk Monitoring Committee – GAAC: Group Auditing and Accounting Committee – Compensation: Compensation Committee – Appointments: Appointments Committee.

CENSORS

	Age[1]	Gender	Start of term of office	End of term of office	Committees[2]	Attendance at board
René CAREL	64	M	2023	2026	GRMC	100%
Philippe COULOIGNER	64	M	2022	2025	-	100%
Philippe GALLIENNE	67	M	2019	2025	Compensation	100%
Patrice GARRIGUES	65	M	2022	2025	GAAC	83%
Charles GERBER	69	M	2020	2026	GAAC	100%
Chantal CETTOUR-MEUNIER	68	F	2023	2026	-	100%
Damien LIEVENS	53	M	2017	2026	-	100%
Olivier OGER	71	M	2022	2025	-	100%
Philippe RAGE	62	M	2020	2026	-	83%
Philippe LEPLAIDEUR	59	F	2023	2026	GRMC	67%
Thierry REBOULET	61	M	2021	2024	**Appointments**	100%
Edwige SCHMITT-BORTOT	64	F	2022	2025	-	100%
Alain TÊTEDOIE	59	M	2017	2026	-	83%
Philippe TUFFREAU	68	M	2017	2026	-	100%
Didier VIEILLY	66	M	2015	2024	-	100%

In the Committees column, the Committee Chairmen are shown in bold in blue.

[1] Age at 12/31/2023.

[2] GRMC: Group Risk Monitoring Committee – GAAC: Group Auditing and Accounting Committee – Compensation: Compensation Committee – Appointments: Appointments Committee.

During 2023, the terms of office as directors of Laurence MIRAS and Elia MARTINS and as censors of Gislhaine RAVENEL, Bernard BASSE and Jean-François JOUFFRAY expired.

Crédit Mutuel Alliance Fédérale's head company, Caisse Fédérale de Crédit Mutuel, decided at its Board meeting on July 27, 2023 to reduce the size of the boards of Caisse Fédérale de Crédit Mutuel and Banque Fédérative du Crédit Mutuel. This has resulted in a number of proposals to ensure that federation and district Chairmen, with a few exceptions, have only one mandate within the Crédit Mutuel Alliance Fédérale umbrella structures. Following this decision, the Board of Directors of Caisse Fédérale de Crédit Mutuel, on November 23, 2023, made the following changes with effect from January 1, 2024:

Outgoing directors at December 31, 2023
Marie-Jean BOOG
Monique BOUGHELILBA
Hélène DUMAS
Nicolas HABERT
Jean-Louis MAÎTRE
Frédéric RANCHON
Alex WEIMERT
Incoming directors at January 1, 2024
Thierry REBOULET
Brigitte STEIN

With regard to the censors the Board of Directors of Caisse Fédérale de Crédit Mutuel on 23 November 2023 noted the end of the terms of office of Chantal CETTOUR MEUNIER, Philippe COULOIGNER, Philippe GALLIENNE, Patrice GARRIGUES, Philippe LEPLAIDEUR, Damien LIEVENS, Philippe RAGE, Thierry REBOULET, Alain TETEDOIE, Philippe TUFFREAU and Didier VIEILLY with effect from December 31, 2023, and appointed Joël DERVIN and Alex WEIMERT with effect from January 1, 2024.

CHANGE OF CHAIRMAN IN 2024

On February 27, 2024, Nicolas Théry, Chairman of Crédit Mutuel Alliance Fédérale, announced his decision to step down as Chairman of Confédération Nationale du Crédit Mutuel, Caisse Fédérale de Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. The movements linked to this decision will take place at the Crédit Mutuel Alliance Fédérale meetings in the 1st half of 2024.

THE FOUR SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

Compensation Committee		Appointments Committee		Group Auditing and Accounting Committee		Group Risk Monitoring Committee	
6 members		6 members		7 members and 9 guest members representing the federations		6 members and 10 guest members representing the federations	
4 meetings	100% attendance	11 meetings	92% attendance	5 meetings	96% attendance	8 meetings	93% attendance

Attendance rate applies to members.

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, two representatives of the Social and Economic Committee attend the meetings of the Board of Directors in an advisory capacity;
- The articles of association of Caisse Fédérale de Crédit Mutuel also state that up to three representatives of representative trade union organizations, other than those that have appointed directors representing the employees, shall attend the meetings of the Board of Directors in an advisory capacity.

COMPOSITION OF EXECUTIVE MANAGEMENT

The Executive Management of Caisse Fédérale de Crédit Mutuel is composed of:

- Mr. Daniel Baal, Chief Executive Officer and effective manager;
- Mr. Éric Petitgand, Deputy Chief Executive Officer and effective manager;
- Mr. Frantz Rublé, Deputy Chief Executive Officer.

CHANGES IN EXECUTIVE MANAGEMENT IN 2024

In line with the announcement by the Chairman of Crédit Mutuel Alliance Fédérale, Crédit Mutuel Alliance Fédérale's Executive Management is expected to change during the meetings of the first half-year 2024. On the proposal of Daniel Baal, the duties of Chief Executive Officer - effective manager of Caisse Fédérale de Crédit Mutuel, the head company of Crédit Mutuel Alliance Fédérale, should be entrusted to Eric Petitgand, current Deputy Chief Executive Officer.

4.1.3 Positions and functions held by the members of the management bodies

Directors

Nicolas Théry

Born on December 22, 1965
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 STRASBOURG

Summary of main areas of expertise and experience

Nicolas Théry began his career in the financial inspection department in 1989 before joining the treasury department in 1993. From 1997 to 2000, he was an adviser in the office of the Minister of the Economy and Finance in charge of monetary and financial topics and then international and European topics. In 2000, he became director of the Private Office of Florence Parly, Secretary of State for the Budget. From 2000 to 2002, he was Confederal Secretary of the CFDT in charge of economic issues. He participated in the creation of the Comité intersyndical de l'épargne salariale and of the social and environmental rating agency Vigeo, directed by Nicole Notat. From 2002 to 2009, he worked at the European Commission as director of cabinet of Pascal Lamy, Commissioner for International Trade, before joining the directorate general for Enterprise and becoming director in the directorate general for the Environment where he worked on climate change. In 2009, he joined Crédit Mutuel. He was Chairman and Chief Executive Officer of CIC Est from 2012 to 2016. Since 2014, he has been Chairman of Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel and Crédit Industriel et Commercial. Since 2016, he has been Chairman of Confédération Nationale du Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. He also chairs the Supervisory Board of Groupe des Assurances du Crédit Mutuel. He was Chairman of the Fédération bancaire française – French Banking Federation from September 1, 2021 to September 2022.

Nicolas Théry is a graduate of Science Po Paris and of the École Nationale d'Administration (ENA) – top of the "Liberty, Equality, Fraternity" class – and holds a Master's degree in Law, Economics, Management with a specialization in Business Law.

Chairman of the Board Directors
Member of the Group Risk Monitoring Committee
First appointed to the Board: 2014
Term expires: 2025

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Banque Fédération du Crédit Mutuel
Crédit Industriel et Commercial
Crédit Mutuel Impact
Banque CIC Est
Assurances du Crédit Mutuel Vie SA
Assurances du Crédit Mutuel Vie SAM
ACM IARD SA
Chairman of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Banque Européenne du Crédit Mutuel
Chairman
Fondation Crédit Mutuel Alliance Fédérale
Fondation du Crédit Mutuel pour la lecture
Director
Caisse de Crédit Mutuel Strasbourg Vosges
Musée Rodin
Permanent representative of Groupe des Assurances du Crédit Mutuel, director
ACM GIE
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, member of the Management Board
Euro-Information
Member
Comité d'éthique de la Défense

Terms of office expired over the past five fiscal years

Chairman
Fédération bancaire française
Member of the Management Board
Euro-Information
Chairman of the Board Directors
Banque CIC Nord Ouest
Dialogues

Hélène Dumas

Born on September 9, 1957
Nationality: French

Business address:
Place de l'Europe –
105 rue du Faubourg Madeleine
45920 Orléans

Summary of main areas of expertise and experience

Holder of a Bachelor's degree in Economics and Management and a *Diplôme d'Études Comptables Supérieures* (DECS), Hélène Dumas has held various positions including Assistant Director and then Deputy Director in charge of support functions such as Human Resources, IT and Logistics within Mutualité Sociale Agricole, before retiring in 2013. In 1998, she became a Director of Caisse de Crédit Mutuel d'Orléans Châtelet, which she has chaired since 2017. Since 2020, she has been a Director of Fédération and Caisse Régionale de Crédit Mutuel du Centre.

Vice-Chairwoman of the Board of Directors
Member of the Appointments Committee
First appointed to the Board: 2022
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel d'Orléans Châtelet
Vice-Chairwoman of the Board of Directors
Fédération Régionale des Caisses de Crédit Mutuel du Centre
Director
Caisse Régionale de Crédit Mutuel du Centre

Terms of office expired over the past five fiscal years

Nil

Marie-Jean Boog

Born on August 30, 1961
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 STRASBOURG

Summary of main areas of expertise and experience

After obtaining her State diploma in 1982, Marie-Jean Boog began her career as a nurse, which she continued until 1988. During the same year, she joined the Association Saint Christophe Walscheid as a healthcare manager. In 1991, she obtained a university degree in Gerontology and then trained as a nursing manager in 1992. In 1998, she trained as a director of a healthcare institution and an ESMS, enabling her to become Head of Institutions for the Association Saint Christophe Walscheid. In 2000, she became a member of Caisse de Crédit Mutuel Bièvre et Vosges and took over as its Chairwoman in 2010. In 2018, she was appointed member of the Supervisory Board of Banque Européenne du Crédit Mutuel and Director of Fédération du Crédit Mutuel Centre Est Europe, Chairwoman of the District of Sarrebourg. Since 2022, she has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director
First appointed to the Board: 2022
Term expires: 2024

Other mandates and functions as at December 31, 2023

Director and Chairwoman of the District of Sarrebourg
Fédération du Crédit Mutuel Centre Est Europe
Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Bièvre et Vosges
Head of Institutions
Association Saint Christophe Walscheid

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Monique Boughelilba

Born on October 19, 1965
Nationality: French

Business address:
130-132 avenue Victor-Hugo
26009 Valence cedex

Summary of main areas of expertise and experience

Monique Boughelilba began her career as an administrative assistant. With a Baccalauréat G1 diploma, she joined the local civil service. She then graduated as a copywriter at the Centre National de la Fonction Publique Territoriale. In 1997, she joined Grenoble Alpes Métropole as head of development for the public transport network, then as head of administrative and financial monitoring of investment operations, before becoming project manager.

In 2016, she was elected Chairwoman of the Board of Directors of Caisse de Crédit Mutuel Fontaine, she then became Vice-Chairwoman of the Board of Directors of the Fédération and Caisse Régionale du Crédit Mutuel Dauphiné Vivarais, of Caisse de Crédit Mutuel Vallée du Rhône and a member of the Supervisory Board of Cautionnement Mutuel de l'Habitat.

Director
First appointed to the Board: 2023
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Fontaine
Vice-Chairwoman of the Board of Directors
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais
Caisse de Crédit Mutuel de la Vallée du Rhône
Member of the Supervisory Board
Cautionnement Mutuel de l'Habitat

Terms of office expired over the past five fiscal years

Nil

Gérard Cormorèche

Born on July 3, 1957
Nationality: French

Business address:
8 rue Rhin et Danube
69009 Lyon

Summary of main areas of expertise and experience

Holder of an Engineering degree from the *École Supérieure d'Agriculture d'Angers*, Gérard Cormorèche is the managing partner of a cereal and vegetable farm and of CORMORÈCHE SARL, specializing in the processing of red beetroot. He was awarded the insignia of *Chevalier du mérite agricole* in 1999.

In 1993, he was elected Chairman of a Crédit Mutuel local bank. He holds offices within Crédit Mutuel at local, regional and national levels. Since 1995, he has been Chairman of Fédération and Caisse de Crédit Mutuel du Sud-Est. He has also been Chairman of the Board of Directors of Caisse Agricole du Crédit Mutuel since 2004.

Director
Member of the Group Auditing and Accounting Committee
First appointed to the Board: 1995
Term expires: 2025

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel du Sud-Est
Caisse de Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse de Crédit Mutuel Neuville-sur-Saône
Vice-Chairman of the Board of Directors
Fédération du Crédit Mutuel Agricole et Rural
MTRL
Assurances du Crédit Mutuel pour l'éducation et la prévention en santé
Director
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse de Crédit Mutuel du Sud-Est, director
Assurance du Crédit Mutuel Vie SAM
SICA d'habitat Rural du Rhône et de la Loire
Censor
CIC Lyonnaise de Banque

Terms of office expired over the past five fiscal years

Vice-Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Censor
Crédit Industriel et Commercial
Managing Partner
SARL CORMORECHE
SCEA CORMORECHE Jean-Gérard

Bernard Dalbiez

Born August 7, 1958
Nationality: French

Business address:
494 avenue du Prado
13008 Marseille

Summary of main areas of expertise and experience

High school graduate, Bernard Dalbiez was a train engineer and instructor for SNCF before retiring in 2008. Alongside his primary employment, he was an officer in the French air force reserves, serving until June 2019. In 2010, he was elected Chairman of the Crédit Mutuel de Marseille Pelletan local bank. In 2018, he became District Chairman and Vice-Chairman of Fédération du Crédit Mutuel Méditerranéen. Since 2021, he has been Chairman of Fédération et Caisse Régionale de Crédit Mutuel Méditerranéen and Chairman of the Supervisory Board of Centre de Conseil et de Service.

Director
Member of the Appointments Committee
First appointed to the Board: 2019
Term expires: 2025

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Méditerranéen
Caisse Régionale du Crédit Mutuel Méditerranéen
Caisse de Crédit Mutuel Marseille Pelletan
Chairman of the Supervisory Board
Société Actimut
Centre de Conseil et de Service
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Ghisonaccia
Director
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse de Crédit Mutuel de Lunel
Caisse de Crédit Mutuel de Sainte Maxime – Cogolin
Caisse Méditerranéen de Financement (CAMEFI)
Representative of Caisse Régionale du Crédit Mutuel Méditerranéen, director
Assurance du Crédit Mutuel Vie SAM
Representative of Fédération du Crédit Mutuel Méditerranéen, Chairman of the Supervisory Board
IMMO CMM

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
Caisse de Crédit Mutuel Saint Laurent du Var
Caisse de Crédit Mutuel de Saint Cyr sur Mer
Caisse de Crédit Mutuel de Sainte Maxime – Cogolin
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel de Nice Saint Isidore
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Nicolas Habert

Born on April 27, 1962
Nationality: French

Business address:
6 rue de la Tuilerie
31130 Balma

Summary of main areas of expertise and experience

A graduate of ISEP and ESSEC and holder of an Actuarial degree, Nicolas Habert has been an independent consultant with NH Consulting since 2007. He began his career in 1987 at the Banque Nationale de Paris as customer relationship manager before joining Caisse des Dépôts et Consignations in 1989 and then Caisse Centrale de Crédit Mutuel in 1993. From 1988 to 2012 he worked as a part-time trainer for various entities at the training center for the banking profession and the Purpan engineering school from 1996 to 2007, where he taught management, finance and international commerce.
In 2001, he became a director of a new Crédit Mutuel local bank and was appointed Chairman in 2010. Since 2017, he has been a federal director. From 2017 to 2023, he was Chairman of the Supervisory Board of Cautionnement Mutuel de l'Habitat. In May 2020, he was appointed Chairman of Caisse Régionale and Fédération du Crédit Mutuel Midi-Atlantique.

Director
Member of the Group Risk Monitoring Committee
First appointed to the Board: 2020
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Midi Atlantique
Caisse Régionale du Crédit Mutuel Midi Atlantique
Caisse du Crédit Mutuel de Toulouse Purpan
Director
Banque Fédérative du Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Midi-Atlantique, director
Assurance du Crédit Mutuel Vie SAM
Permanent representative of Marsovalor, director
Banque CIC Sud Ouest
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Supervisory Board
Cautionnement Mutuel de l'Habitat

Marie Josso

Born on December 29, 1978
Nationality: French

Business address:
275, Boulevard Marcel Paul Exapole
44800 Saint-Herblain

Summary of main areas of expertise and experience

Holder of a Master's degree in Occupational Psychology, Marie Josso founded and since 2013 chairs the company Ad Potentiel, which provides psychosocial audit, managerial support and recruitment services.
In 2012, she became a Director of Caisse de Crédit Mutuel Isac Saint Gildas des Bois. Since 2018, she has been Chairwoman of the Board of Directors of the social landlord Atlantique Habitations and the Maison Familiale de Loire-Atlantique home ownership cooperative. In 2020, she became Vice-Chairwoman of Fédération and Caisse Régionale du Crédit Mutuel Loire Atlantique Centre-Ouest.

Director
Member of the Compensation Committee
First appointed to the Board: 2022
Term expires: 2025

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Atlantique Habitations
La Maison Familiale de Loire-Atlantique
Demeures et traditions
Chairwoman of the Supervisory Board
Société de coordination Uniter
Chairwoman
Ad Potentiel
Vice-Chairwoman of the Board of Directors
Fédération du Crédit Mutuel Loire-Atlantique Centre-Ouest
Caisse Régionale du Crédit Mutuel Loire-Atlantique Centre-Ouest
Director
Caisse de Crédit Mutuel Isac Saint Gildas des Bois
Livie
Member of the Supervisory Board
Batigere en Île de France

Terms of office expired over the past five fiscal years

Nil

Christine Leenders

Born on February 21, 1956
Nationality: French

Business address:
1 place Molière
49000 Angers

Summary of main areas of expertise and experience

With a BTS degree in Tourism and completion of courses in Coaching and Mentoring, Christine Leenders is a senior manager of *Haras des Landes*.
In 2001, she was appointed a director of Caisse de Crédit Mutuel de Durtal-Seiches-sur-le-Loir, before being elected Chairwoman of that local bank in 2003.
Since 2006, she has been a director of Caisse de Crédit Mutuel Agricole et Rurale de l'Anjou and of Fédération and Caisse Régionale du Crédit Mutuel Anjou since 2010. Since 2017, she has been a member of the board of Caisse Fédérale de Crédit Mutuel.

Director
Member of the Group Risk Monitoring Committee and the Compensation Committee
First appointed to the Board: 2017
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Durtal-Seiches-sur-le-Loir
Director
Fédération du Crédit Mutuel Anjou
Caisse Régionale du Crédit Mutuel d'Anjou
Caisse de Crédit Mutuel Agricole et Rural de l'Anjou
Managing Partner
Les Landes

Terms of office expired over the past five fiscal years

Chairwoman
Le pied à l'étrier
Écurie le mors aux dents

Jean-Louis Maître

Born on February 26, 1957
Nationality: French

Business address:
99 avenue de Genève
74054 Annecy

Summary of main areas of expertise and experience

Trained as an independent accountant, Jean-Louis Maître had a career in public accountancy for 39 years, including 26 years as director of a ten-person firm, before retiring on March 1, 2017.
Elected to the Board of Directors of the Crédit Mutuel de Bourg Saint Maurice local bank on March 15, 1989, as Vice-Chairman of the Board of Directors of that same local bank on March 16, 1994 and then as Chairman on March 16, 2000. In 2000, he became a director of Fédération du Crédit Mutuel Savoie-Mont Blanc. Censor of Confédération Nationale and Caisse Centrale du Crédit Mutuel since 2018, he became a director in 2022. He has also been a director of Caisse Fédérale de Crédit Mutuel since May 10, 2019. In 2020, he was appointed Chairman of Fédération and Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc. Since 2022, he has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director
First appointed to the Board: 2019
Term expires: 2025

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Savoie-Mont Blanc
Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc
Caisse de Crédit Mutuel de Bourg Saint-Maurice
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc, director
Assurances du Crédit Mutuel Vie SAM
ALPES HABITAT

Terms of office expired over the past five fiscal years

Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Bich Van Ngo

Born on July 21, 1956
Nationality: French

Business address:
18 rue de la Rochefoucauld
75009 Paris

Summary of main areas of expertise and experience

A chartered accountant, with a Master's degree in Economics from the University of Paris Dauphine and corporate director certification from *Sciences-Po Paris*, Bich Van Ngo has been Chairwoman and Chief Executive Officer of NGO Audit et Conseil since 2018. She began her career in 1979 and worked in various groups as Chief Financial Officer, before becoming Chairwoman and Chief Executive Officer in 2018.

In 2013, she was appointed to the Board of Directors of Caisse de Crédit Mutuel de Verrières le Buisson before becoming its Chairwoman in 2015. She has been a member of the Board of Directors of Fédération du Crédit Mutuel Ile-de-France since 2018, of the Group Auditing and Accounting Committee of Crédit Mutuel Alliance Fédérale since 2020, of which she became Chairwoman in 2023. She was a member of the Board of Directors of Banque Fédérative du Crédit Mutuel until 2023.

Director
Chairwoman of the Group Auditing and Accounting Committee
First appointed to the Board: 2023
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Verrières le Buisson
Director
Banque de Luxembourg
Fédération du Crédit Mutuel Ile-de-France
Independent Director
Haffner Energy
Chairwoman – Chief Executive Officer
NGO Audit et conseil
Chairwoman
Association mouvement des citoyens français d'origine vietnamienne

Terms of office expired over the past five fiscal years

Nil

Frédéric Ranchon

Born on June 22, 1966
Nationality: French

Business address:
61 rue Blatin
63000 Clermont-Ferrand

Summary of main areas of expertise and experience

A graduate of the pharmacy school of Chatenay-Malabry, Frédéric Ranchon began his career as a pharmaceutical salesman in 1988 before receiving training in entrepreneurship at the ESC of Clermont Ferrand and ESSEC Paris and taking over management of a shop, Orchestra, in 2003.

From 2005 to 2019, Frédéric Ranchon was key accounts manager for ABBOT/ABBVIE Laboratories (large hospital accounts).

He has been Chairman of Fédération du Crédit Mutuel Massif Central since 2017 as well as Chairman of Caisse Régionale du Crédit Mutuel Massif Central since 2016.

Director
First appointed to the Board: 2018
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Massif Central
Caisse Régionale du Crédit Mutuel Massif Central
Director
Caisse de Crédit Mutuel Chamalières
Permanent representative of Caisse Régionale du Crédit Mutuel Massif Central, director
Assurances du Crédit Mutuel Vie SAM
Managing Partner
SAXO
SAXO MOD
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Member
CCI du Puy-de-Dôme

Terms of office expired over the past five fiscal years

Director
Caisse de Crédit Mutuel Clermont les 9 Soleils
Caisse de Crédit Mutuel Cebazat
Member of the Supervisory Board
Groupe ESC Clermont Auvergne Developpement

Agnès Rouxel

Born on April 20, 1958
Nationality: French

Business address:
17 rue du 11 novembre
14052 Caen

Summary of main areas of expertise and experience

Agnès Rouxel has a university degree in Adult Education. She is Managing Partner of JP2A and GENÈSE, two international consulting and human performance training firms.

Together with her main occupation, she chairs the Commission of Elected Representatives of the Seine Estuary Chamber of Commerce and Industry (la Chambre de Commerce et d'Industrie Seine Estuaire), is a member of the Seine Estuary MEDEF and the European Council of Business and Commercial Women (Seine Estuaire et du Conseil Européen Femmes Entreprises et Commerce).

Since 2018 she has been Chairwoman of Caisse de Crédit Mutuel Sainte-Adresse and member of the Board of Directors of Caisse Régionale du Crédit Mutuel Normandie.

Director
Member of the Appointments Committee
First appointed to the Board: 2017
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Sainte-Adresse
Permanent representative of Caisse de Crédit Mutuel de Sainte-Adresse, director
Caisse Régionale du Crédit Mutuel de Normandie
Technical advisor
Chambre de Commerce et d'Industrie Seine Estuaire
Member of the board
Conseil européen des entreprises et commerce – Conseil du commerce de France
Managing Partner
JP2A
Genèse

Terms of office expired over the past five fiscal years

Director
MEDEF Seine Estuaire
Member and Chairwoman of the Commission of Elected Representatives
Chambre de Commerce et d'Industrie Seine Estuaire

Daniel Schoepf

Born on March 9, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Recipient of a BTS in Commercial Operations and of multiple training courses in IT and management, Daniel Schoepf made his career in the IT sector for nearly 40 years before his retirement in 2015.

In 1996 he was elected Chairman of the Union des Caisses de Crédit Mutuel du District de Saverne de la Fédération du Crédit Mutuel Centre Est Europe.

In 2014, he was elected Chairman of Caisse de Crédit Mutuel Dettwiller. He has been Chairman of the Group Risk Monitoring Committee since 2016.

Director
Chairman of the Group Risk Monitoring Committee
First appointed to the Board: 2018
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel Dettwiller
Director and Chairman of the Saverne District
Fédération du Crédit Mutuel Centre Est Europe
Director
Éditions des Dernières Nouvelles d'Alsace
SAP L'Alsace
Permanent representative of BFCM, director
Assurance du Crédit Mutuel Vie SAM

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Jacques Simon

Born August 16, 1956
Nationality: French

Business address:
26 rue de France
88300 Neufchateau

Summary of main areas of expertise and experience

Holder of a technical certificate from the Ecole Supérieure d'Application de Bourges, Jacques Simon worked as a non-commissioned officer in the French Army while completing his training. He then served for 18 years as an executive director of a medical-social institution, before moving on in 2010 as a director of medical-social institutions before retiring on May 1, 2017. A track and field coach and former top athlete, he is also president of a sports association since 2012.

Since 2002, he has been a member of the board of the Caisse de Crédit Mutuel de la Plaine des Vosges, becoming its Chairman in 2013. In 2018, he became Chairman of the Vosges district, director at Fédération du Crédit Mutuel Centre Est Europe and then censor at the Banque Fédérative du Crédit Mutuel. Since 2019, he has chaired the Board of Directors of Cautionnement Mutuel de l'Habitat.

Director
First appointed to the Board: 2022
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chairman
La Tricolore Néocastrienne
Chairman of the Board Directors
Caisse de Crédit Mutuel la Plaine des Vosges
Cautionnement Mutuel de l'Habitat
Director and Chairman of the District of Epinal
Fédération du Crédit Mutuel Centre Est Europe
Permanent representative of Cautionnement Mutuel de l'Habitat, Managing Partner
SCI Quai de Paris

Terms of office expired over the past five fiscal years

Nil

Annie Virot

Born on March 6, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a CAPES in Mathematics from the Université de Reims, Annie Virot taught mathematics for some 20 years before working as a consultant and then as a trainer.

In 2007, she was elected Chairwoman of Caisse de Crédit Mutuel de Dijon Darcy. She has been Chairwoman of the District of Bourgogne-Champagne of Fédération du Crédit Mutuel Centre Est Europe since 2018. She has been Chairwoman of the Compensation Committee of Caisse Fédérale de Crédit Mutuel since 2020. In 2021, she became a director and member of the Compensation Committee of Confédération Nationale du Crédit Mutuel.

Director
Chairwoman of the Compensation Committee
First appointed to the Board: 2017
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Dijon Darcy
Vice-Chairwoman of the Board of Directors and Chairwoman of the District of Bourgogne-Champagne
Fédération du Crédit Mutuel Centre Est Europe
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Nil

Alex Weimert

Born on May 23, 1954
Nationality: French

Business address:
Rue du Prof Raymond Garcin
97201 Fort de France

Summary of main areas of expertise and experience

Holder of a diploma in Agro-economics and a post-graduate degree in Advanced Studies, Alex Weimert began his career as director of Coopérative Fruitière de Guyane before becoming a technical and educational adviser at the Ministry of Youth and Sports. In 1984 he founded IFODES, a vocational training organization and then in 1988, he founded Guyane Technologies Systèmes, an IT services company. Mr. Alex Weimert is now retired.

In 1992, he became Chairman of the Crédit Mutuel de Guyane local bank before becoming Chairman of Crédit Mutuel Antilles-Guyane in October 2016. In 2021, he joined Confédération Nationale du Crédit Mutuel as a director and member of the Appointments Committee.

Director
First appointed to the Board: 2020
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Antilles-Guyane
Caisse Régionale du Crédit Mutuel Antilles-Guyane
Caisse de Crédit Mutuel Le Crédit Populaire Guyanais
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Fédération du Crédit Mutuel Agricole et Rural
Permanent representative of Caisse Régionale du Crédit Mutuel Antilles-Guyane, director
Assurances du Crédit Mutuel VIE SAM
Managing Partner
Guyane Technologie Systèmes
Ifodes

Terms of office expired over the past five fiscal years

Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Luc Wynant

Born on February 19, 1966
Nationality: Belgian

Business address:
4 place Richebé
59000 Lille

Summary of main areas of expertise and experience

Holder of a Law degree from the University of KU Leuven and an MBA from Vlerick Business School, Luc Wynant has been a founding partner of the law firm Van Olmen & Wynant in Brussels since 1993 and Head of the Corporate Law Department. For several years, he was a university assistant and lecturer at KU Leuven Faculty of Law.

In 2012, he was appointed member of the Board of Directors of Beobank NV/SA, before joining the Fédération and Caisse Régionale du Crédit Mutuel Nord-Europe in 2019 as a director.

Director
Member of the Group Auditing and Accounting Committee
First appointed to the Board: 2022
Term expires: 2025

Other mandates and functions as at December 31, 2023

Director
Beobank NV/SA
Fédération du Crédit Mutuel Nord Europe
Caisse Régionale du Crédit Mutuel Nord Europe
ACM Belgium Life (Bruxelles)
Member
Belgian Venture Capital and Private Equity Association
European Private Equity and Venture Capital Association
Founding partner
Val Olmen & Wynant

Terms of office expired over the past five fiscal years

Nil

Directors representing employees

Audrey Hammerer

Born on January 8, 1978
Nationality: French

Business address:
55 rue du Général de Gaulle
38210 Tullins

Summary of main areas of expertise and experience

Holder of a Bachelor's in History & Geography and in Insurance, Banking & Finance, Audrey Hammerer joined Crédit Mutuel in 2002 as an advisor before being appointed customer relationship manager in the Grenoble professional division of Crédit Mutuel Dauphiné-Vivarais.
Since 2016, she has been a director representing the employees of Caisse Fédérale de Crédit Mutuel on the Board. Since 2022, she has been director of the Caisse de Crédit Mutuel Tullins and a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director representing employees
Member of the Compensation Committee
First appointed to the Board: 2016
Term expires: 2025

Other mandates and functions as at December 31, 2023

Director

Fédération du Crédit Mutuel Dauphiné-Vivarais

Terms of office expired over the past five fiscal years

Nil

Laurent Torre

Born on August 5, 1967
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a Master's degree in Private Law, Laurent Torre is head of legal affairs at Caisse Fédérale de Crédit Mutuel. He began his career in 1995 as a lawyer at Assurances du Crédit Mutuel before joining Caisse Fédérale de Crédit Mutuel in 2000.
Since January 2020, he has been a director representing the employees of Caisse Fédérale de Crédit Mutuel on the board. Since 2022, he has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director representing employees
First appointed: 2020
Term expires: 2025

Other mandates and functions as at December 31, 2023

Nil

Terms of office expired over the past five fiscal years

Nil

Directors whose terms of office expired in 2023

Elia Martins

Born on June 4, 1970
Nationality: Portuguese

Business address:
118 rue de la Rochefoucauld
75009 Paris

Summary of main areas of expertise and experience

Holder of a DEA in European law from Université Paris 1 and a CAPA from EFB Paris, Elia Martins has been a lawyer at the L'Oréal Group since 2006. Previously, she worked on the staff of the Pierre Haïk law firm.
In 2013, she was elected Chairwoman of the Board of Directors of Caisse de Crédit Mutuel Paris 8 Europe. From 2017 to 2023, she has been a member of the Board of Directors of Fédération and Caisse Régionale du Crédit Mutuel Île-de-France.

Director
First appointed to the Board: 2018
Term expires: 2023

Other mandates and functions as at December 31, 2023

Nil

Terms of office expired over the past five fiscal years

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Paris 8 Europe
Vice-Chairwoman of the Board of Directors
Fédération du Crédit Mutuel Île-de-France
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Laurence Miras

Born on April 4, 1965
Nationality: French

Business address:
130-132 avenue Victor Hugo

Summary of main areas of expertise and experience

Holder of Master's in Law from the Law Faculty of Aix-Marseille and a diploma as a French Notary, Laurence Miras has held a variety of positions in notary offices as a clerk and then as a notary for ten years before becoming a free-lance landscape gardener in 2013.
In 2014, she was elected Chairwoman of the Board of Directors of Caisse de Crédit Mutuel Agriculture de Valréas and became a member of the Board of Directors of Fédération and Caisse Régionale of Crédit Mutuel Dauphiné-Vivarais.

Director
First appointed to the Board: 2017
Term expires: 2023

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Agriculture de Valréas
Director
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais

Terms of office expired over the past five fiscal years

Nil

Group's key executives

Daniel Baal

Born on December 27, 1957
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Daniel Baal began his career in 1979 as a credit records manager at the head office of Banque Fédérative du Crédit Mutuel in Strasbourg and went on to hold various head office and network positions in Strasbourg, Colmar and Mulhouse. In 1995, he became director of commitments at the Southern Regional Division of Caisse Fédérale du Crédit Mutuel Centre Est Europe, then director of Caisse de Crédit Mutuel Mulhouse-Europe in 1999. He was Deputy Chief Executive Officer of Société du Tour de France and director of "cycling" activities for Sport Amaury Organisation from 2001 to 2004. In 2004, he became manager of Caisse Fédérale de Crédit Mutuel Centre Est Europe before being appointed Chief Executive Officer of Fédération and Caisse Régionale du Crédit Mutuel Île-de-France. Then, in 2010, he was appointed Deputy Chief Executive Officer of Confédération Nationale du Crédit Mutuel, then Deputy Chief Executive Officer of Crédit Industriel et Commercial in 2014 and Chief Executive Officer of Caisse Centrale de Crédit Mutuel in 2015.

Since 2017, he has been Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chief Executive Officer of Crédit Industriel et Commercial, Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe and a member of the Executive Board of Groupe des Assurances du Crédit Mutuel.

Daniel Baal is a graduate of EDC Paris Business School, majoring in Financial Management.

Chief Executive Officer
First appointed: 2017
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Member of the Executive Board
Groupe des Assurances du Crédit Mutuel
Chairman of the Supervisory Board
Cofidis
Cofidis Group
Euro-Information Production
Vice-Chairman of the Board of Directors
Banque de Luxembourg
Director
Crédit Mutuel Impact
Member of the Supervisory Board
TARGOBANK AG
Permanent representative of Caisse Fédérale de Crédit Mutuel, director
Endowment fund for clean sports

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
CIC Sud Ouest
CIC Ouest
Chairman of the Supervisory Board
CIC Iberbanco
Vice-Chairman of the Supervisory Board
TARGO Deutschland GmbH
TARGOBANK AG
TARGO Management AG
Director
Fivory SA
Fivory SAS
Permanent representative of Caisse Régionale du Crédit Mutuel Île-de-France, member of the Management Board
Euro-Information

Éric Petitgand

Born February 4, 1964
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Éric Petitgand began his career in 1987 as a back-office manager of cash operations at BTP and later Renault Crédit International. In 1992, he joined Caisse Centrale du Crédit Mutuel as back-office manager of markets. In 1996, he was a special assistant to the Chief Executive Officer and sale director at Crédit Mutuel Centre Est Europe. In 1999, he was named regional executive of Fédération du Crédit Mutuel Centre Est Europe before being named Chief Executive Officer of the Fédération and the Caisse Fédérale de Crédit Mutuel Savoie-Mont Blanc in 2003, then Vice-Chairman and head of operations of the shared services center of the Desjardins network of local banks in 2013.

Since 2016, he has been Deputy Chief Executive Officer of Caisse Fédérale de Crédit Mutuel and Deputy Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe. Since 2017, he has also been Chief Executive Officer of Caisse Fédérale de Crédit Mutuel Antilles-Guyane and Fédération du Crédit Mutuel Antilles-Guyane. Since 2022, he has been Chief Executive Officer of Caisse Agricole Crédit Mutuel and sole Director of CCS since January 1, 2023.

Éric Petitgand holds a DESS in management control and auditing from the IAE of the Université Paris 1 Panthéon – Sorbonne.

Deputy Chief Executive Officer and effective manager
First appointed: 2016
Term of office with unlimited term

Other mandates and functions as at December 31, 2023

Chairman and permanent representative of Banque Fédérative du Crédit Mutuel
Bischenberg
Sole director
Centre de Conseil et de Service - CCS
Chief Executive Officer
Caisse Régionale du Crédit Mutuel Antilles-Guyane
Fédération du Crédit Mutuel Antilles-Guyane
Caisse Agricole Crédit Mutuel
Deputy Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Chairman of the Board Directors
CIC Sud Ouest
Director
2SF - Société des services fiduciaires
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Management Board
Euro-Information

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
LYF
Vice-Chairman
Monetico International
Director
Cautionnement Mutuel de l'Habitat
Fédération du Crédit Mutuel Agricole et Rural
Member of the Supervisory Board
Euro-Information Production
Centre de Conseil et de Service - CCS
Member of the Management Board
Euro-Information Direct Services
Euro-Information Télécom
Permanent representative of Placinvest, director
Crédit Mutuel Investment Managers
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Management Board
Euro-TVS
Euro-Information Épithète
Permanent representative of CIC Associés, director
Crédit Mutuel Asset Management

4.1.4 Delegations of authority granted by the Shareholders' Meeting to the Board of Directors for capital increases currently in use

Nil.

4.1.5 Regulated agreements

This part is dealt with in part 8 "Annual financial statements of BFCM" in the section "Special report of the statutory auditors on regulated agreements" of this universal registration document.

4.1.6 Preparation and organization of the work of the corporate bodies

4.1.6.1 Procedures for holding the Shareholders' Meeting

The procedures for holding the Shareholders' Meeting of Caisse Fédérale de Crédit Mutuel are set out in Articles 21 *et seq.* of the articles of association.

The Ordinary Shareholders' Meeting (OSM) brings together all shareholders at least once a year, convened by the Board of Directors, to vote on an agenda set by the Board.

The Extraordinary Shareholders' Meeting (ESM) is convened whenever decisions are required to amend the company's articles of association, including a capital increase. Resolutions must be approved by a two-thirds majority of shareholders present or represented.

The Combined Shareholders' Meeting (CSM) brings together the two previous meetings (OSM and ESM) on the same date, on the same notice of meeting.

The last Shareholders' Meeting of Caisse Fédérale de Crédit Mutuel was held on May 10, 2023, on first notice.

4.1.6.2 Operation of the Board of Directors

Functioning of the Board of Directors

The functioning of the Board of Directors is governed by Articles 13 to 17 of the articles of association and is supplemented by internal rules approved by the Board of Directors on February 20, 2019 and last updated on November 23, 2023.

Missions of the Board of Directors

The Board of Directors' missions include, but are not limited to, the following areas: strategic orientations; governance, internal control and accounts; risk management; communication; compensation; recovery and resolution.

Composition of the Board of Directors

The company is administered by a Board of Directors comprised of no fewer than three and no more than 18 members who may be natural persons or legal entities that represent members.

The Board of Directors also includes two directors representing employees in accordance with the French Commercial Code.

The term of office of directors is three years.

The Board of Directors may appoint censors for three-year terms. They participate in the deliberations of the Board of Directors in an advisory capacity. They may, by a decision of the majority of censors present or represented, request a second deliberation by the board.

Age limit

The individual age limit is set at 70 for directors and 75 for censors. When those ages are reached, terms of office shall end at the Shareholders' Meeting following the date of the birthday for the directors and at the board meeting following the anniversary date for the censors.

Cumulative validity with an employment contract

No director shall have an employment contract with the company and its controlled subsidiaries (with the exception of directors representing employees, who are not affected by the rules for combining a directorship with an employment contract).

Director skills and training

Crédit Mutuel Alliance Fédérale has set up a Mutualist University, within the cooperative and mutualist life department of Caisse Fédérale de Crédit Mutuel, to support its new Togetherness Performance Solidarity strategic plan.

The Mutualist University is designed to cover all the fundamental, regulatory, behavioral and mutualist skills required to:

- meet the legal and regulatory requirements for bank directors, and develop their ability to question and express themselves,
- commit to a benefit corporation in order to contribute to a fairer, more sustainable society,
- develop employability, and in particular the ability to integrate, evolve and retrain, and/or the ability to lead corporate, association or societal projects,
- flourish as a human being through continuous development of skills, self-confidence and inclusion among peers and in society.

To promote diversity in the workplace, the Mutualist University relies on a set of andragogical methods based on neuroscience and the needs of diverse adults to acquire and develop skills throughout their lives, at their own pace, according to their needs and appetites.

The main objective of the Mutualist University is to provide everyone with the opportunity to develop their skills, based on knowledge from:

- both theoretical, academic and scientific fields, as they might be taught in higher education, and to make them accessible to everyone,
- and from the expertise of Crédit Mutuel Alliance Fédérale's employees, managers, elected representatives, directors and members.

It is based on three offers:

- a main offer which enables everyone to learn and develop a skill in 30 minutes, using the method they prefer, locally or online, in groups or individually. The site offers a catalog of content (videos, animations, replays, podcasts, etc.), ranging from a few minutes to an hour, accessible at any time, and covering a dozen or so areas of expertise etc;
- an event offer, which is available to Crédit Mutuel federations and entities, enabling them to organize a conference, workshop, seminar or round table at least once a year, with the support of the Mutualist University;
- a diploma- or certificate-granting offer designed to recognize current skills and those acquired through the Mutualist University, in particular by means of certified badges. This offer also includes a university diploma in partnership with the University of Strasbourg, already in its 3rd year.

At the Mutualist University, curricula designed for each level of office enable elected representatives to develop their skills in a contextualized way, according to the key moments of their office and the events and missions that punctuate their year.

For umbrella organizations, a program of conferences hosted by the group's key executives and experts is available live and recorded on the website www.universitemutualiste.fr. A skills assessment is attached to each training course and, on successful completion, entitles the trainee to a certified badge.

Other actions may be scheduled at the institution's request.

Conflicts of interest concerning the administrative, management and supervisory bodies

To date, there has been no mention of potential conflicts of interest between the duties of any of the members of the Board of Directors and Executive Management with respect to Caisse Fédérale de Crédit Mutuel and its private interests and/or other duties.

Members of the board and Executive Management are subject to the legal and regulatory obligations applicable to conflicts of interest. Each of the senior managers, directors and non-voting members of Caisse Fédérale de Crédit Mutuel adhere to the values and commitments of Crédit Mutuel Alliance Fédérale described in its code of conduct (*recueil de déontologie*). The purpose of this code is to prevent and, where necessary, manage conflict of interest cases.

In addition, the functioning of the board is governed by its internal rules, which state that "the board members shall endeavor to avoid any conflict that may exist between their moral and material interests and those of Caisse Fédérale de Crédit Mutuel and Crédit Mutuel Alliance Fédérale. Accordingly, they undertake not to directly or indirectly favor their personal or professional interests or those of a related person to the detriment of the interests of Crédit Mutuel as a whole or of one of its entities. They shall inform the Board of any conflict of interest, including potential, in which they may be directly or indirectly involved and, in this case, they shall refrain from participating in discussions and decision-making on the subjects concerned."

Service contracts

As of December 31, 2023, there are no service contracts linking any member of the Board of Directors or Executive Management to, and providing benefits to, Caisse Fédérale de Crédit Mutuel or any of its subsidiaries.

Statement as to legal and criminal sanctions

During the past five years no member of the Board of Directors has been convicted of fraud, no member of Executive Management has gone into bankruptcy or been associated with a court-ordered protection, receivership or liquidation procedure; and no charge or official public sanction has been upheld against a member of the Board of Directors or Executive Board by statutory or regulatory authorities (including designated professional bodies). Furthermore, during the past five years, no member of said boards has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer of securities or from acting in the management or business dealings of any issuer of securities.

Diversity of the Board of Directors

- Gender balance

The Copé-Zimmermann Law (law No. 2011-103 of January 27, 2011, as amended in 2014) is applicable to Caisse Fédérale de Crédit Mutuel and has been implemented *via* the appointment of eight female directors in 2017 and 2018.

In 2023, the representation of women on the Board of Directors of Caisse Fédérale de Crédit Mutuel was 44%.

- Regional representation

The directors of Caisse Fédérale de Crédit Mutuel come from all of the federations throughout the territory within the scope of Crédit Mutuel Alliance Fédérale.

- Representation of society

The diversity of the directors of Caisse Fédérale de Crédit Mutuel in terms of sociology, age, origin and gender tends to result in a Board of Directors that is representative of its customers and society.

- Strategic plan

The 2024-2027 Togetherness Performance Solidarity strategic plan of Crédit Mutuel Alliance Fédérale, approved by the Board of Directors of Caisse Fédérale de Crédit Mutuel on November 23, 2023 and then adopted by the *Chambre syndicale et interfédérale* on December 7 and 8, 2023, reaffirms the group's ambition to achieve balanced representation in the composition of its governance, with in particular a target of 50% women in Group governance.

- Diversity Charter

On December 2, 2022, the Board of Directors of Caisse Fédérale de Crédit Mutuel adopted a charter on the diversity policy for the members of the supervisory bodies.

Independence of directors

Certain members of the Board of Directors may qualify as independent mutualist directors, following a review of their situation by Caisse Fédérale de Crédit Mutuel's Appointments Committee. At its meeting on February 4, 2022, the Appointments Committee adopted the criteria for independent mutualist directors set out in the internal rules of Caisse Fédérale de Crédit Mutuel, and extended them to Banque Fédérative du Crédit Mutuel and CIC. The criteria were specified at the Caisse Fédérale de Crédit Mutuel Board meeting on November 23, 2023.

This review must verify that there is no relationship between the director and Caisse Fédérale de Crédit Mutuel, whether financial, family or personal. In particular, a director can only be qualified as an independent mutualist director if he or she satisfies the following conditions:

- is not an employee or former employee of the group;
- must not have been a director of a Crédit Mutuel Alliance Fédérale umbrella banking entity (CFCM, BFCM, BECM, CIC) or of the Confederation for more than 12 years;
- does not have any financial ties considered significant;
- he or she has not received an indemnity or compensation, in any form whatsoever (excluding reimbursement of expenses), within the Crédit Mutuel group in excess of an annual amount set in the charter governing the exercise of office of members of the Boards of Crédit Mutuel Alliance Fédérale and in the provisions set forth by Confédération Nationale du Crédit Mutuel.

Caisse Fédérale de Crédit Mutuel has determined the proportion of independent members in accordance with EBA guidelines, which considers the presence of independent members to be good practice and therefore does not impose a number of independent directors.

In the light of these rules, of the 18 directors of Caisse Fédérale de Crédit Mutuel at December 31, 2023, 13 directors, *i.e.* 72% of the directors (excluding directors representing employees), are considered to be independent mutualist directors.

Assessment of the Board of Directors and its committees

The Board of Directors of Caisse Fédérale de Crédit Mutuel and its committees conduct an annual assessment of their operations and composition under the responsibility of the Appointments Committee.

Each of the members of the regulatory committees annually carries out their own individual self-assessment on the basis of an ad hoc questionnaire. This self-assessment covers both a self-assessment of the member's individual skills and the functioning of the committee. At the end of this self-assessment, the members of the committees submit their assessments to the Chairman of the committee of which they are members, who draws up a summary and forwards it, together with the individual assessments, to the Chairman of the Appointments Committee and the Chairman of the Board of Directors.

The Appointments Committee is then responsible for preparing a collective assessment and issuing an opinion for submission to the Board of Directors, which carries out the assessment under the authority of its Chairman.

The functioning of the evaluation of the Board of Directors and the summary of the last evaluation are presented in the section on the Appointments Committee.

4.1.6.3 Board activity in 2023

The Board of Directors meets at least four times a year according to a pre-established schedule.

Each item on the agenda has its own separate file or presentation, depending on its size, to better inform the members of the board. The minutes give a detailed record of deliberations, decisions and votes.

Meeting of February 8, 2023

The Board of Directors meeting of February 8, 2023 focused on the following topics in particular:

- presentation of the balance sheet and consolidated financial statements as of December 31, 2022;
- observation of the statutory auditors;
- Group Auditing and Accounting Committee report of February 2, 2023;
- presentation of the annual and comprehensive financial statements of Caisse Fédérale de Crédit Mutuel;
- regulated agreements;
- news, challenges and outlook;
- summary of the Group Risk Monitoring Committee meetings of January 11 and February 1, 2023;
- summary of relations with regulators;
- update on breaches of the risk appetite framework;
- 2023 review of the risk appetite framework, including changes concerning interest rate and liquidity risks;
- update on risk monitoring and ALM;
- update on GACM's IT risk monitoring delegation;
- update on the preventive recovery and resolution plan;
- update on the hydrocarbons sectoral policy;
- 2022 activity of the compliance audit function;
- main risk areas;
- savings, loans, insurance, services;
- development plan;
- Interest Rate and Financial Policy Committee;
- accreditation, municipal loans and special credits;
- general operating expenses in 2022 – final figures;
- reappointment of the Chief Executive Officer;
- report of the Compensation Committee of February 1 and 5, 2023;
- report of the Appointments Committee of December 20, 2022 and February 1, 2023;
- timetable and terms of the cooperative review;
- approval of Caisse Fédérale de Crédit Mutuel's annual contribution to Fondation Crédit Mutuel Alliance Fédérale.

Meeting of April 6, 2023

The Board of Directors meeting of April 6, 2023 focused on the following topics in particular:

- current affairs update;
- Group Auditing and Accounting Committee report of March 27, 2023;
- presentation and review of the annual internal control report;
- approval of the AML/CFT annual internal control report;
- summary of the Group Risk Monitoring Committee report of March 31, 2023;

- relations with regulators;
- RAF overruns at December 31, 2022;
- risk monitoring as of December 31, 2022;
- validation of Crédit Mutuel Alliance Fédérale's risk mapping;
- approval of Crédit Mutuel Alliance Fédérale's ICAAP;
- approval of Crédit Mutuel Alliance Fédérale's ILAAP;
- validation of updated credit risk framework;
- report of the Compensation Committee of April 3, 2023 and report of the compensation policy and practices for 2023;
- approval of the list of risk-takers and the overall compensation package paid to regulated persons covered by the regulations;
- breakdown of the overall compensation package under the charter governing the exercise of offices of members of the Boards of Directors;
- report of the Appointment Committee of February 28, March 15 and April, 4, 2023;
- approval of all committee assessments and recording of the assessments of key functions, including the assessment of Executive Management;
- reappointment of the Vice-Chairman of the Board;
- censors: renewals, appointment and end of term of office;
- movements within regulatory committees;
- societal dividend: validation of allocation from 2023;
- acknowledgment of the internal rules of the interfederal training commission for elected members;
- regulated agreements;
- management reports and corporate governance reports;
- Mission Committee report;
- benefit corporation commitments;
- preparation and convening of the Ordinary Shareholders' Meeting of May 10, 2023 - Crédit Mutuel Alliance Fédérale dividend policy.

Meeting of July 27, 2023

The Board of Directors meeting of July 27, 2023 focused on the following topics in particular:

- presentation of Crédit Mutuel Alliance Fédérale consolidated financial statements at June 30, 2023;
- presentation of Banque Fédérative du Crédit Mutuel consolidated financial statements at June 30, 2023;
- approval of Crédit Mutuel Alliance Fédérale consolidated financial statements at June 30, 2023;
- approval of Banque Fédérative du Crédit Mutuel consolidated financial statements at June 30, 2023;
- report of the Group Auditing and Accounting Committee of July 26, 2023;
- report of the Group Risk Monitoring Committee of June 28 and July 21, 2023;
- relations with regulators;
- presentation of work carried out as part of the follow-up to the SREP 2022 letter (CNCM and Crédit Mutuel Alliance Fédérale);
- breaches of the risk appetite framework at March 31, 2023;
- risk monitoring;
- review of sectoral policies;
- compliance presentation: missions of the supervisory authorities and acknowledgment of the plan to strengthen the resources of the compliance function;
- adoption of the principles for reforming the governance of umbrella organizations;
- report of the Appointments Committees of May 22, June 23 and July 24, 2023, including the assessment of the Board of Directors of Caisse Fédérale de Crédit Mutuel;
- report of the Compensation Committee of July 24, 2023, including the opinion on the coordination process of the Compensation Committee on the compensation of the managing directors of federations or regional banks and other executive management of Crédit Mutuel Alliance Fédérale;
- savings, loans, insurance, services;
- Interest Rate and Financial Policy Committee, increase in the issue ceiling for B shares;
- accreditation, municipal loans and special credits;
- proposed revision of the credit delegation mechanisms for the local banks affiliated with Caisse Fédérale de Crédit Mutuel;
- annual report from the Fragile or Vulnerable Customers Committee;
- summary of the Claims Committee;
- co-opting to Board of Directors;
- appointments of censors;
- movements in the GRMC;
- information on employee representation on the Board following the CSE elections in June 2023.

Meeting of November 23, 2023

The Board of Directors meeting of November 23, 2023 focused on the following topic in particular:

- information on Crédit Mutuel Alliance Fédérale's consolidated earnings at September 30, 2023;
- Group Auditing and Accounting Committee report of September 29, 2023;
- Group Risk Monitoring Committee report of September 27 and November 17, 2023;
- relations with regulators;
- draft SREP letter for 2023;
- presentation of the draft data quality governance framework;
- breaches of the risk appetite framework;
- risk monitoring;
- annual newsletter on the ethics system;
- reports of the Appointments Committees of September 4 and 18, October 17 and November 17, 2023;
- report of the Compensation Committee of November 20, 2023;

- savings, loans, insurance, services;
- operating conditions – adjustments to the 2024 price revisions;
- customer relations management plan – objectives - budget;
- 2024 development plan;
- communication budget for 2024;
- Interest Rate and Financial Policy Committee; recommendation of the rate of return on B shares;
- accreditation, municipal loans and special credits;
- general operating expenses in 2023 - General operating expenses budget in 2024;
- information on the capital increase of CIC (Suisse);
- opinion of the Social and Economic Committee on strategic guidelines;
- approval of the Crédit Mutuel Alliance Fédérale 2024-2027 strategic plan, subject to its adoption by the *Chambre syndicale et interfédérale*;
- project to transfer CIB activities from CIC and its specialized business line subsidiaries to BFCM;
- planned merger in 2024 of CACM and CFCM;
- renewal of the members of the Mission Committee;
- governance movements:
  - co-opting of directors,
  - appointment of the Vice-Chairman of the Board,
  - appointments of censors,
  - composition of the GAAC and the GRMC;
- updating of the Board's internal rules;
- societal dividend: decision to allocate €100 million to Pillar I and acknowledgement of contribution to the Foundation.

Meeting of December 18, 2023

The Board of Directors meeting of December 18, 2023 focused on the following topic in particular:

- update on the combined decision received from the ECB following the "climate" thematic review carried out in 2022.

4.1.6.4 Committees of the Board of Directors

The Board of Directors has set up four specialized committees within the scope of Crédit Mutuel Alliance Fédérale: the Compensation Committee, the Appointments Committee, the Group Auditing and Accounting Committee and the Group Risk Monitoring Committee. The provisions which define the composition, functioning, regulatory framework and duties of the regulatory committees of Crédit Mutuel Alliance Fédérale are set out in the internal rules of the Board of Directors updated on November 23, 2023.

The Committees are composed of three to eight members of the Board of Directors of CFCM and its main subsidiaries, BFCM, BECM and CIC, appointed by the Board of Directors on the proposal of the Chairman of the Board for the duration of their term of office as director. In addition to these members, guest members may be censors of CFCM, BFCM or BECM or only directors of Crédit Mutuel Alliance Fédérale federations. For the GRMC and the GAAC, these associate members, from the federations that are members of Caisse Fédérale de Crédit Mutuel and form Crédit Mutuel Alliance Fédérale, allow all federations to be represented. One of the members of the Compensation Committee must be an employee director.

Compensation Committee

Composition of the Compensation Committee at December 31, 2023[1]

As of December 31, 2023, the Compensation Committee was composed of a Chairman and five members including one employee director.

Members	Status	Attendance rate in 2023
Annie Virot	Chairwoman	100%
Philippe Gallienne	Member	100%
Audrey Hammerer	Member	100%
Marie Josso	Member	100%
Christine Leenders	Member	100%
Brigitte Stein	Member	100%

(1) In 2023, Jean-François Jouffray's term of office ended.

Duties of the Compensation Committee

Crédit Mutuel Alliance Fédérale, which is subject to supervision by the ACPR on a consolidated basis, decided at the meeting of the Board of Directors on February 27, 2015 to set up a Compensation Committee in accordance with Article L.511-89 of the French Monetary and Financial Code.

The committee's scope of competence is:

- all credit institutions and finance companies;
- Crédit Mutuel Alliance Fédérale entities consolidated by Caisse Fédérale de Crédit Mutuel taken as the parent company of the consolidated Crédit Mutuel Alliance Fédérale which, by virtue of their size, internal organization and the nature, scale, complexity and cross-border nature of their activity fall within the scope of consolidation by decision of the Board of Directors;
- with the exception of entities which, because of their activity, size or specific nature, have committees that comply with legal and regulatory provisions. In this case, these individual committees report to the Caisse Fédérale de Crédit Mutuel umbrella committees on the work performed and the information communicated.

The Compensation Committee prepares the decisions that the Board of Directors takes concerning compensation, in particular compensation of employees that has an impact on risk and risk management.

It conducts an annual review of:

- the principles of the compensation policy of Crédit Mutuel Alliance Fédérale;
- the compensation, indemnities and benefits of any kind granted to corporate officers;
- the compensation policy and the level of allocations, specific categories of employees also known as risk takers: actual managers, persons exercising a control function, persons whose professional activities have a significant impact on the risk profile of the company or Crédit Mutuel Alliance Fédérale as well as any employee who, in view of his or her overall income, is in the same compensation bracket as risk takers and managers.

It analyzes and controls:

- compensation of senior executives in the risk, compliance, permanent control and periodic control functions;
- the list of compensation exceeding a certain amount as well as the compensation of the population of employees identified as risk takers in all Crédit Mutuel Alliance Fédérale's activities;
- the terms and conditions of allocation, individual allocation and payment and, in particular, compliance with the deferral rules set forth in the compensation policy.

It regularly, at least annually, makes proposals on the compensation of the executive body and corporate officers.

The Compensation Committee reviews the annual audit report on compensation policy and/or the follow-up report on audit assignments.

In addition, the Compensation Committee verifies with Executive Management that the risk, control and compliance departments have been consulted by the human resources department for the definition and implementation of the compensation policy.

It shall also make any proposals to improve the effectiveness of the various procedures and the overall system or to adapt them to new circumstances and regulatory changes.

The Compensation Committee reports to the Board of Directors on its work and presents its proposals to the Board. It shall issue in its minutes such opinions and recommendations as it deems appropriate.

To carry out these tasks, the Compensation Committee relies on market practices by any means it deems appropriate.

In order to ensure consistency within Crédit Mutuel Alliance Fédérale, a coordination process for changes in the compensation of Executive Management/Chief Executive Officers of Crédit Mutuel Alliance Fédérale entities was adopted by the Board of Directors on February 26, 2016.

For the Chief Executive Officers of the federations, the Chairmen of the federations are involved in this process and give their opinion in an advisory capacity.

For the compensation of the Chief Executive Officers of federations or regional banks that are partners of Crédit Mutuel Alliance Fédérale, the compensation is set by the Board of Directors of the federation or regional bank, on the proposal of the Chairman. Before deciding on its proposal, the Chairman of the federation or regional bank consults the Chairman and the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel.

For the compensation of the other members of the Executive Management of Crédit Mutuel Alliance Fédérale, a coordination and consultation process led by the human resources department involves the Chairman and the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel upstream.

The Compensation Committee delivers its opinion at the end of the coordination process. The Compensation Committee reports to the Board of Directors.

Appointments Committee

Composition of the Appointments Committee as of December 31, 2023[1]

As of December 31, 2023, the Appointments Committee was composed of a Chairman and five members.

Members	Status	Attendance rate in 2023
Thierry Reboulet	Chairman	100%
Bernard Dalbiez	Member	100%
Pascal David	Member	82%
Hélène Dumas	Member	100%
Simone Muller	Member	91%
Agnès Rouxel	Member	91%

(1) Jean-François Jouffray's term of office as associate member ended in 2023.

Duties of the Appointments Committee

The Appointments Committee issues opinions on appointment or renewal and prepares the decisions to be taken by the Board of Directors.

Under the responsibility of the Board of Directors and in accordance with the provisions of the French Monetary and Financial Code, the Appointments Committee is responsible for:

- identifying and recommending to the Board candidates suitable for the exercise of the functions of director, censor, executive officer who may have the status of an effective manager (Chief Executive Officer, Chief Operating Officer, Deputy Chief Executive Officer and other senior executives), to propose their candidacy to the competent body;
- assessing the balance and diversity of knowledge, skills and experience available individually and collectively to the members of the Board of Directors;
- specifying the missions and qualifications required for the functions performed on the Board and assess the time to be devoted to those functions;
- setting a target to be achieved for the balanced representation of women and men on the Board and develop a policy to achieve that target;
- preparing periodically, and at least once a year, an assessment of the structure, size, composition and effectiveness of the Board of Directors with respect to the tasks assigned to it, and submit it to the Board of Directors together with any useful recommendations;
- assessing periodically, and at least once a year, the knowledge, skills and experience of the members of the Board of Directors, both individually and collectively, and report thereon to the board;

- reviewing periodically the policies of the Board of Directors with respect to the selection and appointment of the persons mentioned in Article L.511-13, the Chief Operating Officers and the head of risk management and make recommendations in that respect;
- ensuring that the Board is not dominated by one person or a small group of people under conditions that are detrimental to the interests of the bank.

Assessment of the Board of Directors

In accordance with the provisions of the French Monetary and Financial Code and the guidelines issued by the EBA, an evaluation questionnaire prepared by the Appointments Committee is sent to the members of the Board of Directors each year.

The questionnaire is structured in two parts, a first part relating to the evaluation of the body and a second part relating to the self-evaluation of each person. It also contains a section on strengths, weaknesses and areas for improvement.

On the basis of the questionnaires received, the committee produces a summary, presented to the Board of Directors, and proposes areas for improvement.

The summary of the results of the evaluation questionnaires of the members of the Board of Directors for 2022 was presented to the Board of Directors of Caisse Fédérale de Crédit Mutuel on July 27, 2023. The result was a very positive overall assessment. Four major strengths have been identified within the Board:

- diversity of profiles (in terms of origin and socio-professional categories);
- Crédit Mutuel's values held by its members;
- independence of mind and freedom of speech;
- ease of access to information (documents, answers to questions).

Areas for improvement include the size of the board, which is considered too large, the lack of diversity in terms of age and parity, the lack of understanding of the competition, and the absence of benchmarking data. It is proposed to improve governance, update knowledge through training and provide more elements of comparison with other banks in the marketplace.

Group Auditing and Accounting Committee

Composition of the Group Auditing and Accounting Committee at December 31, 2023[1]

As of December 31, 2023, the Group Auditing and Accounting Committee was composed of a Chairman, six members and nine guests.

Members	Status	Attendance rate in 2023
Bich Van Ngo	Chairman	100%
Gérard Cormorèche	Member	80%
Charles Gerber	Member	80%
Albert Mayer	Member	100%
Jean-François Parra	Member	80%
René Schwartz	Member	100%
Luc Wynant	Member	100%

(1) In 2023, the terms of office of Jean-François Jouffray, Franck Emery and Yves Magnin ended.

Duties of the Auditing and Accounting Committee

The Auditing and Accounting Committee (GAAC) is responsible for all matters relating to internal and external control, as well as the preparation of financial statements and financial information. It also periodically examines Crédit Mutuel Alliance Fédérale's exposure to risks of all kinds that may affect its various activities.

The missions of the GAAC include the following:

- internal and external control:
  - ensures the existence of a document describing the organization and operation of the various control and compliance functions,
  - examines the internal audit plan once a year and asks for any additional work for the periodic audit,
  - ensures good coverage of internal control through permanent control and compliance,
  - ensures the adequacy of the resources of the various control and compliance functions,
  - reviews a summary of the main tasks of the periodic control as well as the results of the permanent and compliance controls,
  - receives communication of the annual report and the half-yearly internal control report,
  - ensures that the implementation of the recommendations made by the internal audit is effective,
  - is informed of the conclusions of the controls performed by the supervisory authorities and monitors the implementation of the recommendations made by those authorities,
  - examines the questions asked, if any, by the financial authorities or any other regulatory or judicial authority and the answers provided;
  - ensures the existence of rules of good conduct in matters of ethics,
  - ensures that the control, compliance and risk monitoring functions complement each other,
  - ensures that there is a whistleblowing process open to employees, members and third parties,
  - ensures that internal data collection and control procedures guarantee the quality of the information provided,
  - reviews the outcome of the annual periodic control assessment process;
- financial statements and financial information:
  - ensures that the process for producing accounting and financial information complies with the legal requirements, the recommendations of regulatory authorities and the internal procedures,
  - reviews significant changes in accounting policies,
  - reviews the changes, appropriateness and relevance of the scope of consolidation,
  - reviews the accounting treatment of significant transactions,
  - reviews the estimates used in the impairment tests,
  - periodically reviews significant litigation and off-balance-sheet commitments,
  - reviews the financial statements (balance sheet, income statement and notes),

- reviews the main items of financial communication relating to the financial statements,
- meets with the finance department's representatives prior to the distribution of financial communication,
- periodically holds discussions with the external auditors, within the limits of the law on professional secrecy,
- reviews the financial communication relating to the financial statements (in particular the assumptions and estimates used by Executive Management if the company communicates on forecasts or trends),
- submits its recommendations to the competent Boards for the selection and reappointment of statutory auditors,
- periodically reviews engagement letters relating to non-audit work entrusted to statutory auditors,
- reviews the conclusions of the statutory auditors' due diligence,
- reviews any significant disagreements between the statutory auditors and Executive Management,
- reviews the additional reports to the Group Auditing and Accounting Committee prepared by the statutory auditors for the EIPs that have delegated this regulatory requirement to the Committee,
- reviews the statutory auditors' letters of recommendations and the status of implementation of the recommendations,
- ensures compliance with the legal and regulatory provisions relating to the incompatibility of statutory auditors' assignments,
- ensures the independence of the statutory auditors;

- risks:
  - reviews at least twice a year the cost of risk, the group's exposures, market and credit concentration limits, risk measurement methodologies, risk-taking policies and crisis management policies,
  - ensures the existence of a procedure for identifying and monitoring risks and the suitability of those procedures to changes in the external environment and/or activity,
  - reviews the risk mapping and action plans,
  - reviews the potential impact of significant risks, as estimated by the risk department,
  - ensures the existence of a risk dashboard that describes the risk exposure in detail,
  - ensures that procedures are in place to ensure compliance with the legal and regulatory obligations,
  - ensures that there is a process in place to identify and handle incidents and anomalies,
  - reviews the insurance program.

The GAAC shall, where appropriate, propose to the various affected supervisory bodies the improvements and decisions of a prudential nature that it deems necessary in relation to the findings that it has reviewed, whether they come from internal or external audits.

Group Risk Monitoring Committee

Composition of the Group Risk Monitoring Committee at December 31, 2023[1]

As of December 31, 2023, the Group Risk Monitoring Committee was composed of a Chairman, five members and ten guests.

Members	Status	Attendance rate in 2023
Daniel Schoepf	Chairman	100%
Pierre Bertholier	Member	100%
Nicolas Habert	Member	100%
Catherine Lamblin-Messien	Member	75%
Christine Leenders	Member	100%
Nicolas Théry	Member	88%

(1) In 2023, the terms of office of Jean-François Jouffray and Bernard Basse ended.

Duties of the Risk Monitoring Committee

The Risk Monitoring Committee issues opinions and advice in preparation for decisions made by the Board of Directors on general policy, thresholds and limits in matters of risk management.

- The missions and attributes of Crédit Mutuel Alliance Fédérale Risk Monitoring Committee include the following:
- financial risks:
  - conduct an exhaustive review of the risks and exposures (quality, ratings, concentration, impairment) to which Crédit Mutuel Alliance Fédérale is exposed. Exhaustiveness is observed both in terms of types of risk and the businesses carried out by the group's banking and non-banking entities both in France and abroad,
  - analyze short- and medium-term liquidity ratios and monitor changes to them, in particular as part of the ILAAP procedure,
  - examine changes to the main regulatory (solvency and leverage) and operating ratios, in particular those relating to capital allocation, by business lines and entities, as well as compliance with the amounts of capital allocated by the supervisory bodies, in particular as part of the ICAAP procedure,
  - review changes in results in perspective with changes in risks, results and capital allocation,
  - assess the quality of monitoring and control of all risks set forth in the Order of November 3, 2014, in particular credit, market, overall interest rate, intermediation, settlement, liquidity and operational risks, for all group entities (in particular banks and insurance companies),
  - assist the supervisory body in its task of supervising the application of risk policies and strategies by Executive Management that constitute the group's executive body. In this context, compliance with the limits of the risk indicators and any overruns are observed,

- advise the supervisory body on current and future risk strategies and risk tolerance. In this context, the Committee may propose to the supervisory body changes to the risk management system (addition and modification of indicators and/or limits), specific reports or comments on particular issues or risks, whether specific or general,
- review risk-taking policies, overall risk management strategies, limits, cost of risk and associated controls, provisioning policies, risk measurement methodologies, and crisis management policies including the Preventive Recovery Plans (PRPs),
- propose to Executive Management any measures that may be necessary concerning the system of limits or alert thresholds for the main counterparties, economic sectors or geographical areas, as well as limits or alert thresholds for interest rate, liquidity and market risks;

- non-financial risks and controls:
  - review changes in the financial or non-financial ratings of external agencies,
  - review the results of controls relating to compliance mechanisms, including the anti-money laundering and anti-terrorist financing mechanism,
  - review the significant alerts or incidents brought to its attention and the reduction measures implemented, with follow-up, in particular Information System Security,
  - review risk mapping and related control plans on an annual basis,
  - review the Emergency and Business Continuity Plan (EBCP or PUPA in French) on an annual basis,
  - review, as part of its mission, whether the prices of the products and services mentioned in Books II and III of the French Monetary and Financial Code offered to customers are compatible with Crédit Mutuel Alliance Fédérale risk strategy. If these prices do not correctly reflect the risks, it informs the Board of Directors and gives its opinion on the action plan to remedy the situation;
- governance:
  - ensure that the nature, scope coverage, granularity, form and frequency of the risk information provided to the Committee is adequate,
  - focus, twice a year, on the risks of the CIC New York's activity as part of a US Risks Committee as requested by the local supervisory authorities,
  - ensure the adequacy of resources allocated to the risk management, permanent control and compliance functions,
  - review, on a quarterly basis, the monitoring of the recommendations issued by the Crédit Mutuel group audits assigned to the risk management function,
  - monitor the progress of regulatory projects that impact Crédit Mutuel Alliance Fédérale,
  - review and discuss follow-up letters received from various supervisors and review the responses to these letters,
  - ensure the proper integration of acquired subsidiaries into Crédit Mutuel Alliance Fédérale risk management system,
  - be informed of the conclusions of the control missions conducted by the various supervisors and monitor the implementation of the recommendations made by those supervisors,
  - examine, without prejudice to the missions of the Compensation Committee, whether the incentives stated by the compensation policy and practices are compatible with the situation of the company with regard to the risks to which it is exposed and of its capital, its liquidity and the probability and timing of expected profits.

Main duties of the head of risk management

- the head of risk management reports on changes in the main risks as listed in the Order of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sector, in particular credit, market, overall interest rate, intermediation, settlement, liquidity, operational and compliance risks;
  - the head of risk management informs the Committee of the monitoring of any changes to or excesses of limits and alert thresholds, comments on regulatory developments and the supervisory missions of ACPR and JST (Joint Supervisory Team). He or she reviews the group's developments in its markets in France and abroad.

4.1.6.5 Ethics

Code of conduct

Crédit Mutuel Alliance Fédérale's code of conduct was approved in June 2018.

This registration document, which includes all regulatory and legal requirements relating to conduct, reiterates the principles that each entity and employee of the group should abide by in the exercise of their activities. It is part of the group's overall objectives in terms of quality of customer service, integrity and rigor in the processing of transactions and compliance with regulations. It applies to all group entities in France and abroad, in accordance with local regulations.

In particular, the code of conduct contains provisions on preventing conflicts of interests, combating corruption and rules applicable to persons in possession of inside information.

The code of conduct is circulated to all employees and must be consulted by all on the Intranet of each group entity.

This code is supplemented by another code of conduct, which applies to all elected representatives and employees as well as to all Crédit Mutuel Alliance Fédérale entities. Its purpose is to introduce the group's commitments and the resulting rules of behavior in terms of respect for the individual, parity and openness, protection of and respect for the environment, the duty of good management, the duty of confidentiality and data protection, the duty to act in a reserved manner, the duty to educate, conflicts of interest, and the duty to abide by the group's values and regulations.

Ethics and Compliance Committee

An Ethics and Compliance Committee was established on a community basis by the *Chambre Syndicale* on December 9, 2006 to monitor the application of the code of conduct within Crédit Mutuel Alliance Fédérale entities.

It is made up of representatives of all the federations that belong to Crédit Mutuel Alliance Fédérale. It proposes guidelines to consolidate the exemplary nature of Crédit Mutuel Alliance Fédérale and to effectively implement the objectives of social and cooperative responsibility that it has set itself.

The Committee presents its conclusions and guidelines once a year to the *Chambre Syndicale et Interfédérale*.

4.1.6.6 Executive Management

Composition and prerogatives of Executive Management

In accordance with Article L.511-58 of the French Monetary and Financial Code, Caisse Fédérale de Crédit Mutuel has opted for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer. The effective management of the institution, which is carried out by at least two people, has all the powers attached to it by banking and financial laws and regulations, both internally and with regard to third parties.

Prerogatives of Executive Management

The articles of association do not provide for any particular limitation on the powers of the effective managers but internal rules define the cases in which prior approval of the Board of Directors is required, *i.e.* planned acquisitions or disposals of equity investments (excluding financial investments) of more than €100 million.

4.1.7 Compensation principles and rules for the identified individuals (Articles L.511-71 *et seq.* of the French Monetary and Financial Code)

The compensation policy of Crédit Mutuel Alliance Fédérale is above all reasoned and responsible and gives priority to aligning the interests of Crédit Mutuel Alliance Fédérale with those of its employees and to protecting the interests of its members and customers. It therefore takes its duty to advise very seriously.

Crédit Mutuel Alliance Fédérale believes that a company's compensation policy is an important aspect of consistency in its strategy and risk management. In this context, Crédit Mutuel Alliance Fédérale, faithful to its mutualist values, has defined a policy that aims to:

- comply with regulatory requirements and market practices;
- promote its mutualist values with respect for all stakeholders: members, customers and employees;
- promote career advancement through internal training and encourage employees' long-term commitment;
- not encourage excessive risk-taking, avoid the introduction of incentives that could lead to conflicts of interest and not encourage or induce unauthorized activities;
- ensure consistency between employee behavior and Crédit Mutuel Alliance Fédérale's long-term objectives, in particular with respect to risk management control;
- ensure fair compensation and retain talented employees by offering them appropriate compensation that takes into consideration the competitive environment and is based on their level of seniority, expertise and professional experience,
- ensure equal pay for men and women, based on classification, and more broadly fight all forms of discrimination;
- make sure that the capital base is regularly strengthened.

The compensation policy builds on Crédit Mutuel Alliance Fédérale risk appetite framework, which states that the compensation of employees must not encourage excessive risk-taking and aims to avoid all conflicts of interest.

In that context, the overall compensation policy does not encourage risk-taking in excess of the level of risk defined by Crédit Mutuel Alliance Fédérale. It is, therefore, guided by the principles of restraint and prudence implemented by Crédit Mutuel Alliance Fédérale, including for risk-takers.

Variable compensation is strictly limited to a few business lines and functions and is not an incentive for employees to take risks that would not be in line with the guidelines from Executive Management and the Board of Directors, in particular for those employees whose activities are likely to have a significant impact on the institution's risk exposure.

The Board of Directors of Caisse Fédérale de Crédit Mutuel approved Crédit Mutuel Alliance Fédérale compensation policy, including the overall compensation policy for staff whose professional activities are likely to have a significant impact on the institution's risk profile.

This general policy takes account of the Order of November 3, 2014, Articles L.511-71 *et seq.* of the French Monetary and Financial Code, and Commission Delegated Regulation (EU) No. 2021/923 of March 25, 2021, which sets out the appropriate qualitative and quantitative criteria for identifying these categories of staff.

The latest version of the note on the compensation policy for risk takers was approved by the Board of Directors on November 23, 2023.

The federations to which Caisse Fédérale de Crédit Mutuel belongs are committed to the principle of voluntary directorship within the various bodies that make up Crédit Mutuel Alliance Fédérale. The corollary of this principle is to ensure that the directors have the necessary resources to perform their responsibilities, with the sole aim of ensuring the development, durability and respect of the values of Crédit Mutuel. A charter governing the exercise of offices of the members of the Boards of Directors or Supervisory Boards has been in place since January 1, 2019 and was revised on February 9, 2022. It sets the terms and conditions for the application of the principle of voluntary work by the elected representatives of Crédit Mutuel Alliance Fédérale, in particular by strictly defining the terms and conditions under which indemnities are allocated to ensure the exercise of certain strategic functions in the federations and umbrella entities of Crédit Mutuel Alliance Fédérale. It supplements the code of conduct that applies to all elected officials.

For all persons at Crédit Mutuel Alliance Fédérale who meet the above criteria, the overall amount of compensation for 2023 as set out in the aforementioned Article L.511-73 was €170,589,000.

The report on the compensation policies and practices referred to in Article 266 of the Order of November 3, 2014 concerning the internal controls of companies in the banking, payment services and investment services sector is published every year.

It gathers the approved quantitative information mentioned in Article 450 h) and 450 g) of Regulation (EU) 575/2013.

A strict limit for fixed compensation, with variable compensation to a few specialized activities

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members. It incorporates its constant concern for sustainable development and employee career advancement into its policy.

For most of Crédit Mutuel Alliance Fédérale's employees, in particular all those who work for the networks, Crédit Mutuel Alliance Fédérale has decided [1] not to set individual targets for customer sales that might generate variable compensation.

Generally speaking, the components of additional compensation (benefits in kind, variable compensation, etc.) are subject to restrictions and concern only specific situations in certain business lines or functions when justified by particular considerations. The variable compensation practices for specialized business lines are therefore generally consistent with those of other banking groups: trading floor, specialized financing, asset management, private equity, private banking and consumer credit.

Organization of the Compensation Committee within Crédit Mutuel Alliance Fédérale

At its meeting of February 21, 2018, the Board of Directors of Caisse Fédérale de Crédit Mutuel approved the integration into its scope, as of fiscal year 2018, of the entities covered by the AIFM and UCITS V Directives as well as those subject to the Solvency II Directive.

Article L.511-91 of the French Monetary and Financial Code, established by Article 3 of Order No. 2014-158 of February 20, 2014, states that when a credit institution is part of a group subject to supervision by the ACPR on a consolidated basis, the Board of Directors of such institution may decide that the functions assigned to the regulatory committees (Risk, Appointments, Compensation) be performed by the Committee of the credit institution at which level supervision is exercised on a consolidated or sub-consolidated basis.

Within Crédit Mutuel Alliance Fédérale, all Boards of Directors of the entities – regardless of their activities and the applicable regulations, in France and abroad – delegate their authority related to compensation matters to the "umbrella" committee (Caisse Fédérale de Crédit Mutuel). This includes the federations and regional banks (which "control" Caisse Fédérale), the consumer credit activity, the asset management activity and the insurance entities (which are in the consolidated accounting scope), the private equity, services and/or IT activities, the economic interest groups and the international private banking and subsidiary activities (including Banque Transatlantique, Banque de Luxembourg, Banque CIC Suisse, TARGOBANK in Germany).

The scope therefore goes beyond just the regulatory monitoring scope of the banking activity.

The "umbrella" committee reports on its work to the Board of Directors of Caisse Fédérale de Crédit Mutuel, and to the Boards of Directors of the entities for the information that is relevant to them.

Coordination process for changes in the compensation of Crédit Mutuel Alliance Fédérale's Executive Management

To ensure consistency, in the absence of a mechanism for the subject, a coordination process for changes in the compensation of Executive Management/Chief Executive Officers of the entities was adopted at the Board of Directors meeting of February 26, 2016. For the Chief Executive Officers of the federations, the Chairmen of the federations are involved in this process and give their opinion in an advisory capacity. This system involves the Chairman of Caisse Fédérale de Crédit Mutuel, the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel and the Director of Human Resources.

The Compensation Committee gives its opinion on a proposal for the coordination process. The Compensation Committee reports to the Board of Directors.

(1) With a few exceptions abroad.

4.1.8 Principles for determining the compensation granted to corporate officers

Guiding principles

Caisse Fédérale de Crédit Mutuel does not refer to the Afep-Medef Code, which is unsuitable in its case for a certain number of recommendations, given the structure of the shareholder base, which is made up entirely of Crédit Mutuel Alliance Fédérale entities. Crédit Mutuel Alliance Fédérale is not affected by the Say on pay system.

Implementation

The officers concerned are the Chairman of the Board of Directors and the Chief Executive Officer.

On February 7, 2023, the Board of Directors of Caisse Fédérale du Crédit Mutuel decided, on the proposal of the Compensation Committee of February 1, 2023, to allocate:

- for Mr. Nicolas Théry, as compensation for his appointment as Chairman of the Board of Directors, an annual compensation of €950,000 starting June 1, 2023. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

It should be noted that Nicolas Théry has been an employee of the group since September 1, 2009 and that his employment contract was suspended with effect from November 14, 2014.

For the record, at the July 25, 2022 meeting of the Board of Directors of Caisse Fédérale de Crédit Mutuel, the Chairman of the Board of Directors announced his decision to voluntarily waive the termination benefits, in view of the complicated legal nature of the existence of these benefits and the numerous complexities that interact between the various regulations.

The next compensation review will be carried out at the January 2024 Compensation Committee meeting.

- for Mr. Daniel Baal, as compensation for his appointment as Chief Executive Officer, an annual compensation of €950,000 starting June 1, 2023. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

It should be noted that Daniel Baal was an employee of Caisse Fédérale du Crédit Mutuel from July 1, 1979 to September 30, 2001, then from February 2, 2004 to this day, and that his employment contract was suspended effective June 1, 2017.

The next compensation review is carried out at the January 2024 Compensation Committee meeting.

The director also benefits from termination benefits corresponding to two years of fixed compensation as a corporate officer. The terms of exercise of this benefit were reviewed following a decision by the Board of Directors of Caisse Fédérale de Crédit Mutuel on April 6, 2023.

The terms and conditions of the Chief Executive Officer's termination benefits are now subject to a number of criteria to comply with the regulatory framework and Crédit Mutuel's confederate framework. These criteria include performance criteria:

- Economic criteria -50%:
  - yield on gross assets (net income on average risk-weighted assets) higher than the average of the top three French banks,
  - cost/income ratio below 62% and below the average of the top three French banks,
  - solvency ratio (CET1) higher than the average of the top three French banks.

Calculations are based on the last three calendar years and published results. Each criterion accounts for one-third.

- ESG criteria -50%:
  - the rate of achievement of the objectives set as part of the commitments made as a benefit corporation (30%),
  - risk management (10%),
  - the implementation of the group's strategic ambitions (10%).

Assessments are made by the supervisory bodies on the basis of documentation independent of Executive Management, *i.e.* the benefit corporation's monitoring committee, internal audit, and the achievements of the strategic plan presented to the governance bodies.

None of these criteria may give rise to outperformance.

The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

The Chairman of the Board of Directors and the Chief Executive Officer are assessed by the Appointments and Compensation Committees, which meet annually for this purpose. This assessment must cover all aspects of the business and in particular verify that the social and environmental objectives assigned to Crédit Mutuel Alliance Fédérale have been achieved. Failing this, the committees may propose to the Board of Directors to reduce the compensation or to revoke the term of office.

The compensation received by both corporate officers is detailed in the tables below.

During the fiscal year, they also benefited from the group's collective insurance and supplementary pension plans.

However, the two corporate officers of Caisse Fédérale de Crédit Mutuel did not receive any other specific benefits or arrangements other than the benefits in kind described below.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees.

As of December 31, 2023, only Nicolas Théry held loans of this nature.

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO DECEMBER 31, 2023

2023 *(in euros)*[a]	Origin[b]	Fixed portion	Variable portion	Benefits in kind[c]	Employer contributions for supplementary benefits	Total
Nicolas Théry	Caisse Fédérale de Crédit Mutuel	901,277.87		12,342.00	9,427.04	923,046.91
Daniel Baal	Caisse Fédérale de Crédit Mutuel	920,833.39		4,769.40	9,427.04	935,029.83

(a) These are gross amounts corresponding to amounts paid during the fiscal year.

(b) The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

(c) Company cars and/or senior executive insurance policy (GSC).

2022 *(in euros)*[a]	Origin[b]	Fixed portion	Variable portion	Benefits in kind[c]	Employer contributions for supplementary benefits	Total
Nicolas Théry	Caisse Fédérale de Crédit Mutuel	880,000.08		12,342.00	8,617.92	900,960.00
Daniel Baal	Caisse Fédérale de Crédit Mutuel	880,000.08		4,769.40	8,617.92	893,387.40

(a) These are gross amounts corresponding to amounts paid during the fiscal year.

(b) The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

(c) Company cars and/or senior executive insurance policy (GSC).

4.2 BFCM – CORPORATE GOVERNANCE REPORT

EXECUTIVE MANAGEMENT

1 **CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER**
Mr. Daniel Baal

1 **CHIEF OPERATING OFFICER, EFFECTIVE MANAGER**
Mr. Éric Charpentier

1 **DEPUTY CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER**
Mr. Alexandre Saada

THE BOARD OF DIRECTORS

97% attendance rate of directors

4 meetings in 2023

18 DIRECTORS *[voting rights]*

2 SEC* REPRESENTATIVES *[advisory votes]*

6 CENSORS *[advisory votes]*

83% men

17% women

62 average age of directors

Data at December 31, 2023.
Attendance rate and average age scope: directors.
Parity scope: directors.
** Social and Economic Committee.*

4.2.1 Introduction

The provisions of Article L.225-37 of the French Commercial Code state that the Board of Directors shall present to the Ordinary Shareholders' Meeting a corporate governance report alongside the management report.

In accordance with Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, this report shall include:

- a list of all of the terms and duties exercised in any company by each corporate officer during the fiscal year;
- the composition of the Board and the conditions for the preparation and organization of its work;
- agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another company controlled by the former within the meaning of Article L.233-3, with the exception of agreements relating to current transactions and entered into under normal conditions;
- a summary table of the current delegations of authority granted by the Shareholders' Meeting in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2, showing the use made of these delegations during the fiscal year;
- at the time of the first report or in the event of any change, the method elected between the two options for Executive Management provided for in Article L.225-51-1;
- a description of the diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender or qualifications and professional experience, and a description of the objectives of such a policy, its implementation procedures and the results obtained during the past fiscal year. This description shall be supplemented by information on the manner in which the company seeks a balanced representation of women and men within the committee established, if any, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender balance; in the 10% of positions with the highest level of responsibility. If the company does not apply such a policy, the report shall include an explanation of the reasons for not doing so;
- any restrictions that the Board of Directors may impose on the powers of the Chief Executive Officer;
- where a company voluntarily refers to a Corporate Governance Code drawn up by a professional organization, the provisions that have been disregarded and the reasons why, as well as the place where this code can be consulted, or, in the absence of such a reference to a code, the reasons why the company has decided not to refer to it, as well as, where applicable, the rules adopted in addition to the requirements laid down by law.

As it is not a company whose shares are admitted to trading on a regulated market, Banque Fédérative du Crédit Mutuel does not refer to the Afep-Medef Code.

Banque Fédérative du Crédit Mutuel complies with the corporate governance regulations applicable to credit institutions. In this respect, it is recalled that the European Banking Authority (EBA) has issued guidance on internal governance (EBA/GL/2021/05) as well as guidance on the assessment of the suitability of members of the management body and holders of key positions (EBA/GL/2021/06) dated July 2, 2021.

In its compliance notices of December 7, 2021, the ACPR declared itself compliant with the guidance on internal governance and partially compliant with the guidance on suitability assessment.

An excerpt from the ACPR's compliance notice on how to apply the suitability assessment guidelines is reproduced below:

"This notice specifies the paragraphs of the EBA guidelines EBA/GL/2021/06 with which the ACPR (i) intends to comply: i.e. paragraphs 1 to 162; 164 to 171; 174 to 176; 178 to 207 of the guidelines and (ii) therefore expects the aforementioned institutions to comply with these paragraphs.

Indeed, the ACPR does not intend to comply with the provisions of paragraphs 172 and 173 (assessment of the suitability of the heads of internal control functions and of the Chief Financial Officer by the competent authority) as well as paragraphs 163 and 177 (transmission to the competent authority of the results and documentation relating to the internal assessment of the heads of internal control functions and the Chief Financial Officer). This statement does not call into question the procedures already in place, which will continue to apply for the assessment of persons responsible for internal control at approval and in the event of a change of control.

In addition, the ACPR intends to apply the guidelines relating to attendance and the definition of independent members with two interpretative qualifications:

- *the formal independence of the members of the management body and of the members of the Risk Committee and the Appointments Committee does not constitute a criterion of suitability under current French laws and regulations, which would be enforceable in the context of the examination of an individual application. Under French law, the implementation of the guidelines cannot therefore lead to the refusal of an individual application on this ground alone under the "fit and proper" principle. […] The ACPR considers the presence of independent members on supervisory bodies and other specialized committees to be good practice and not a legal or regulatory requirement;*
- *as a matter of law, failure to meet one or more of the criteria listed in the guidelines (paragraph 89) does not constitute a presumption that a member is not independent. Non-compliance with these criteria does not exhaust the notion of independence and the analysis of this quality must also take into account other measures, in particular those developed by French institutions within the framework of the laws and regulations in force and which could make it possible to achieve the same objective of independence.*

Pursuant to paragraph (88)(b) of the suitability assessment guidance, the ACPR also intends not to require independent members in relevant institutions that are wholly owned by a relevant institution, and in investment firms that meet the criteria set out in Article 32(4)(a) of Directive 2019/2034/EU or other criteria laid down by a relevant Member State in accordance with Article 32(5) and (6) of Directive No 2019/2034/EU."

This corporate governance report explains how Banque Fédérative du Crédit Mutuel has implemented the guidelines in accordance with the ACPR Notice and its own interpretation.

The report was also prepared in accordance with Annex I of Delegated Regulation 2019/980 of March 14, 2019.

4.2.2 Composition of the management bodies as of December 31, 2023

Presentation of the Board of Directors

	Age[1]	Gender	Start of term of office	End of term of office	Committees[2]	Attendance at Board
Nicolas THÉRY *Chairman*	58	M	2014	2026	GRMC	100%
Philippe TUFFREAU *Vice-Chairman*	68	M	2021	2024	/	100%
Jean-Marc BUSNEL *Permanent representative of Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie, director*	64	M	2018	2024	/	100%
Chantal CETTOUR-MEUNIER Director	68	F	2023	2026	/	100%
Gérard CORMORÈCHE *Director*	66	M	2001	2025	GAAC	100%
Claude COURTOIS *Director*	69	M	2019	2025	/	100%
Sandrine CRESTOIS COGNARD Director	39	F	2023	2024	/	0%
Philippe GALLIENNE *Director*	67	M	2019	2025	Compensation	100%
Charles GERBER *Director*	69	M	2020	2026	GAAC	100%
Olivier GUIOT *Director*	56	M	2020	2026	/	100%
Nicolas HABERT *Director*	61	M	2020	2024	GRMC	100%
Catherine LAMBLIN-MESSIEN *Director*	59	F	2022	2025	GRMC	100%
Albert MAYER *Director*	68	M	2018	2024	GAAC	100%
Franck MOGADE Director	50	M	2023	2026	/	100%
Thierry REBOULET *Director*	61	M	2021	2024	**Appointments**	100%
René SCHWARTZ *Director*	66	M	2018	2024	GAAC	100%
Francis SINGLER *Director*	67	M	2018	2024	/	100%
Alain TÊTEDOIE *Director*	59	M	2007	2024	/	100%
Joel DERVIN *Censor*	66	M	2022	2025	/	100%
Christian GUILBARD *Censor*	65	M	2021	2024	/	100%
Caroline KALTENBACH *Censor*	55	F	2022	2025	/	100%
Michel KOCHER *Censor*	64	M	2022	2025	/	100%
Jean-Claude LORDELOT *Censor*	69	M	2018	2024	GAAC	100%
Jean-Michel PFINDEL *Censor*	68	M	2022	2025	/	100%

(1) Age at 12/31/2023.
(2) GRMC: Group Risk Monitoring Committee – GAAC: Group Auditing and Accounting Committee – Compensation: Compensation Committee – Appointments: Appointments Committee.
In the Committees column, the Committee Chairmen are shown in bold in blue.

4

During 2023, the terms of office of Elio Gumbs, Bich Van Ngo and Gislhaine Ravanel expired.

Crédit Mutuel Alliance Fédérale's head company, Caisse Fédérale de Crédit Mutuel, decided at its Board meeting on July 27, 2023 to reduce the size of the boards of Caisse Fédérale de Crédit Mutuel and Banque Fédérative du Crédit Mutuel. This has resulted in a number of proposals to ensure that federation and district Chairmen, with a few exceptions, have only one mandate within the Crédit Mutuel Alliance Fédérale umbrella structures. Following this decision, the Board of Directors of Banque Fédérative du Crédit Mutuel, on November 23, 2023, made the following changes with effect from January 1, 2024:

Outgoing directors at December 31, 2023
Nicolas THÉRY
Chantal CETTOUR-MEUNIER
Gérard CORMORÈCHE
Claude COURTOIS
Sandrine CRESTOIS COGNARD
Charles GERBER
Olivier GUIOT
Albert MAYER
Franck MOGADE
Thierry REBOULET
René SCHWARTZ
Francis SINGLER
Alain TÊTEDOIE
Incoming directors at January 1, 2024
Daniel BAAL
Marie-Jean BOOG
René CAREL
Hélène DUMAS
Caroline KALTENBACH
Simone MULLER
Frédéric RANCHON
Brigitte STEIN

With regard to censors, the Board of Directors of Banque Fédérative du Crédit Mutuel, at its meeting on November 23, 2023, noted the termination of the terms of office of Caroline KALTENBACH, Joël DERVIN, Christian GUILBARD and Jean-Claude LORDELOT with effect from December 31, 2023, and appointed Philippe LEPLAIDEUR, André LORIEU, Jean-louis MAITRE and Jean-François PARRA with effect from January 1, 2024.

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, two representatives of the Social and Economic Committee attend the meetings of the Board of Directors in an advisory capacity.

Composition of Executive Management

The Executive Management of Banque Fédérative du Crédit Mutuel is composed of:

- Mr. Daniel Baal, Chief Executive Officer and effective manager;
- Mr. Éric Charpentier, Chief Operating Officer and effective manager;
- Mr. Alexandre Saada, Deputy Chief Executive Officer and effective manager.

On November 23, 2023, the Board of Directors of Banque Fédérative du Crédit Mutuel noted the end of Daniel Baal's term of office, effective December 31, 2023, and appointed, effective January 1, 2024:

- Mr. Éric Charpentier, Chief Executive Officer - effective manager;
- confirmed Mr Alexandre Saada as Deputy Chief Executive Officer - effective manager.

4.2.3 Positions and functions held by the members of the management bodies

Directors

Nicolas Théry

Born on December 22, 1965
Nationality: French

Business address:
4 rue Frédéric Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Nicolas Théry began his career in the financial inspection department in 1989 before joining the treasury department in 1993. From 1997 to 2000, he was an adviser in the office of the Minister of the Economy and Finance in charge of monetary and financial topics and then international and European topics. In 2000, he became director of the Private Office of Florence Parly, Secretary of State for the Budget. From 2000 to 2002, he was Confederal Secretary of the CFDT in charge of economic issues. He participated in the creation of the Comité intersyndical de l'épargne salariale and of the social and environmental rating agency Vigeo, directed by Nicole Notat. From 2002 to 2009, he worked at the European Commission as director of cabinet of Pascal Lamy, Commissioner for International Trade, before joining the directorate general for Enterprise and becoming director in the directorate general for the Environment where he worked on climate change. In 2009, he joined Crédit Mutuel. He was Chairman and Chief Executive Officer of CIC Est from 2012 to 2016. Since 2014, he has been Chairman of Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel and Crédit Industriel et Commercial. Since 2016, he has been Chairman of Confédération Nationale du Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. He also chairs the Supervisory Board of Groupe des Assurances du Crédit Mutuel. He was Chairman of the Fédération bancaire française – French Banking Federation from September 1, 2021 to September 2022.
Nicolas Théry is a graduate of Science Po Paris and of the École Nationale d'Administration (ENA) – top of the "Liberty, Equality, Fraternity" class – and holds a Master's degree in Law, Economics, Management with a specialization in Business Law.

Chairman of the Board Directors
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2014
Term expires: 2026

Other offices held as of December 31, 2023

Chairman of the Board Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Crédit Industriel et Commercial
Crédit Mutuel Impact
Banque CIC Est
Assurances du Crédit Mutuel Vie SA
Assurances du Crédit Mutuel Vie SAM
ACM IARD SA
Chairman of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Banque Européenne du Crédit Mutuel
Chairman
Fondation Crédit Mutuel Alliance Fédérale
Fondation du Crédit Mutuel pour la lecture
Director
Caisse de Crédit Mutuel Strasbourg Vosges
Musée Rodin
Permanent representative of Groupe des Assurances du Crédit Mutuel, director
ACM GIE
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, member of the Management Board
Euro-Information
Member
Comité d'éthique de la Défense

Terms of office expired over the past five fiscal years

Chairman
Fédération bancaire française
Member of the Management Board
Euro-Information
Chairman of the Board Directors
Banque CIC Nord Ouest
Dialogues

Philippe Tuffreau

Born on May 24, 1955
Nationality: French

Business address:
1, place Molière
49006 Angers

Summary of main areas of expertise and experience

Holder of a Master's degree in Private Law, a post-graduate Degree (DESS) in Juridical Sciences and professional lawyer accreditation, Philippe Tuffreau is Chairman of the Fédération and Caisse Régionale du Crédit Mutuel d'Anjou.

In 1995, he founded Exaequo, a firm specializing in business law. At the same time, he is involved in life at the bar. In 1998, he was elected president of the Bar of Angers for two years. In 2003, he became a member of the French National Bar Council. He was Vice-Chairman of this institution from 2006 to 2008, and became the Chancery's regular contact. Then he was promoted Knight of the National Order of Merit and Knight of the Order of the Legion of Honor. From 1995 to 2017, he was Vice-Chairman of the law firm Oratio.

In 1991, he became Chairman of a Crédit Mutuel local bank and held various offices before terminating his office due to his other activities. In 2014, he was appointed Chairman of a Crédit Mutuel local bank before becoming federal director of Crédit Mutuel d'Anjou in 2015 of which he became Chairman in 2017. He has been a confederal director since 2020.

Vice-Chairman of the Board of Directors
First appointed to the Board: 2021
Term expires: 2024

Other offices held as of December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Anjou
Caisse Régionale du Crédit Mutuel Anjou
Créavenir Anjou (association)
Chairman of the Supervisory Board
SODEREC
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Angers Saint Laud
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel d'Anjou, director
Assurances du Crédit Mutuel Vie SAM
Permanent representative of Caisse Régionale du Crédit Mutuel d'Anjou, managing partner
SNC Thiers Immobilier
Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Director
GIEMAT
SPL ALTEC
Censor
Banque Fédérative du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Jean-Marc Busnel

Born on April 25, 1959
Nationality: French

Business address:
43 boulevard Volney
53083 Laval

Summary of main areas of expertise and experience

Jean-Marc Busnel holds a Post-graduate Degree (DESS) in Business Administration and Management. He began his career with ACOME as a technician and then as a senior manager in 1980. He then held various positions from operations director (2002) to industry, purchasing and supply chain director (2008) before becoming branch director (2015) and the industrial director (2018) before retiring in 2021.
In 1994, he was elected director of the Crédit Mutuel de Saint Hilaire du Harcouët local bank. Today, he holds offices at the local level as well as at the federal and confederal levels. Since 2018, he has been Chairman of Caisse Fédérale and Fédération du Crédit Mutuel de Maine-Anjou Basse-Normandie.

Permanent representative of Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie, director
First appointed to the Board: 2018
Term expires: 2024

Other offices held as of December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel de Maine-Anjou et Basse-Normandie
Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie
Caisse de Crédit Mutuel de Saint-Hilaire du Harcouet
Caisse de Crédit Mutuel Solidaire
Résidence foyer les hirondelles
Creavenir
Fondation d'entreprise du Crédit Mutuel de Maine-Anjou et Basse-Normandie
Vice-Chairman of the Supervisory Board
SODEREC
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie, director
Assurances du Crédit Mutuel Vie SAM
ACM IARD SA
Permanent representative of the Fondation d'entreprise du Crédit Mutuel de Maine-Anjou et Basse-Normandie, director
Association des résidences Escalys

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
IDEA OPTICAL
Vice-Chairman
Union régionale des Scop de l'Ouest
Director
ACOME SA

Chantal Cettour Meunier

Born on September 15, 1955
Nationality: French

Business address:
99, Avenue de Genève
74000 Annecy

Summary of main areas of expertise and experience

Holder of a professional certificate in transport and a professional certificate in accountancy and mechanography, Chantal Cettour Meunier was a managing partner of Transport Avocat Maulaz from 1984 to 2006. In 2006, she joined the Chatel town council as a local authority official before retiring in 2016.
She has been Chairwoman of a Crédit Mutuel local bank since 2015 and a member of Fédération du Crédit Mutuel Savoie-Mont Blanc since 2020.

Director
First appointed to the Board: 2023
Term expires: 2026

Other offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel Val d'Abondance
Director
Fédération du Crédit Mutuel Savoie-Mont Blanc
Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Nil

Gérard Cormorèche

Born on July 3, 1957
Nationality: French

Business address:
8 rue Rhin et Danube
69009 Lyon

Summary of main areas of expertise and experience

Holder of an Engineering Degree from the École Supérieure d'Agricultures d'Angers, Gérard Cormorèche is the managing partner of a cereal and vegetable farm and of the Cormorèche SARL specializing in the processing of red beetroot. He was awarded the insignia of Chevalier du mérite agricole in 1999.
In 1993, he was elected Chairman of a Crédit Mutuel local bank. He holds offices within Crédit Mutuel at local, regional and national levels. Since 1995, he has been Chairman of Fédération and Caisse de Crédit Mutuel du Sud-Est. He has also been Chairman of the Board of Directors of Caisse Agricole du Crédit Mutuel since 2004 and Vice-Chairman of CNCM (Confédération Nationale du Crédit Mutuel).

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2001
Term expires: 2025

Other offices held as of December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel du Sud-Est
Caisse de Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse de Crédit Mutuel Neuville-sur-Saône
Vice-Chairman of the Board of Directors
Fédération du Crédit Mutuel Agricole et Rural
MTRL
Assurances du Crédit Mutuel pour l'éducation et la prévention en santé
Director
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel
Crédit Industriel et Commercial
Permanent representative of Caisse de Crédit Mutuel du Sud-Est, director
Assurances du Crédit Mutuel Vie SAM
SICA d'habitat Rural du Rhône et de la Loire
Censor
CIC Lyonnaise de Banque

Terms of office expired over the past five fiscal years

Vice-Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Managing Partner
SCEA CORMORECHE JEAN-GÉRARD
SARL CORMORECHE
Censor
Crédit Industriel et Commercial

Claude Courtois

Born on January 6, 1954
Nationality: French

Business address:
494 avenue du Prado
13008 Marseille

Summary of main areas of expertise and experience

A graduate of the École Nationale de Police de Cannes-Ecluse, Claude Courtois has worked as a police inspector in two active services of the French National Police.
In 1998, he was elected member of the Supervisory Board of a Crédit Mutuel local bank. In 2014, he became federal director and Chairman of the Western District of Fédération du Crédit Mutuel Méditerranéen.

Director
First appointed to the Board: 2019
Term expires: 2025

Other offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel de Montpellier Antigone
Caisse de Crédit Mutuel de Lunel
Vice-Chairman of the Board of Directors
Fédération du Crédit Mutuel Méditerranéen
Director
Caisse Méditerranéenne Financement

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
Caisse de Crédit Mutuel Bassin de Thau
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Frontignan
Director
Caisse de Crédit Mutuel Bassin de Thau
Caisse de Crédit Mutuel de Perpignan Kennedy
Caisse de Crédit Mutuel de Montpellier Alco
Censor
Banque Fédérative du Crédit Mutuel

Philippe Gallienne

Born on June 17, 1956
Nationality: French

Business address:
17 rue du 11 novembre
14052 Caen

Summary of main areas of expertise and experience

A graduate of the École de Management de Normandie, Philippe Gallienne was partner in charge of the association and social management sector of the Le Havre office of Mazars from 1990 to April 2019.
In 1995, he was elected founding Chairman of Caisse de Crédit Mutuel du Havre Sanvic. In 1998, he became Chairman of Caisse de Crédit Mutuel du Havre Hôtel de Ville and was elected federal director the same year. He was appointed Vice-Chairman of Fédération du Crédit Mutuel de Normandie in 2003 before being appointed Chairman of Fédération and Caisse Régionale du Crédit Mutuel de Normandie in 2019.

Director
Member of the Compensation Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2019
Term expires: 2025

Other offices held as of December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Normandie
Caisse Régionale du Crédit Mutuel Normandie
Caisse de Crédit Mutuel Le Havre Hôtel de Ville
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse Régionale de Crédit Mutuel de Normandie, director
Assurances du Crédit Mutuel Vie SAM
Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Charles Gerber

Born on June 3, 1954
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a technical proficiency certificate degree in General Mechanics and a diploma in Management and Recruitment from the Comité d'Action Économique du Haut-Rhin, Charles Gerber began his career as a master sergeant in the French army. He then worked for ten years in the mechanical field, for 20 years as manager of a production site and for ten years as manager of high volume purchasing at the same company before retiring in 2009. In 1991 he was first appointed member of the Board of Directors of a Crédit Mutuel local bank, before being appointed Chairman of the Board of Directors in 2012.

Director
Associate member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2020
Term expires: 2026

Other offices held as of December 31, 2023

Chairman of the Board Directors

Caisse de Crédit Mutuel de la Largue

Director and Chairman of the District of Altkirch-St-Louis

Fédération du Crédit Mutuel Centre Est Europe

Director

Confédération Nationale du Crédit Mutuel

Caisse Centrale du Crédit Mutuel

Censor

Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Director

Caisse Fédérale de Crédit Mutuel

Olivier Guiot

Born on July 21, 1967
Nationality: French

Business address:
61 rue Blatin
63000 Clermont-Ferrand

Summary of main areas of expertise and experience

Holder of a technical proficiency certificate in Accounting, Olivier Guiot worked as a logistics technician before he was elected mayor of the municipality of Saint-Hilaire in the Allier department in 2001.

In 1999, he became a director of Fédération du Crédit Mutuel Massif Central. From 2018 to 2020, he was a director on several provisional Boards of Directors (CCM Montferrand, CCM Cebazat, Vice-Chairman of CCM Yzeure). In 2020, he became Chairman of Caisse de Crédit Mutuel d'Yzeure.

Director
First appointed to the Board: 2020
Term expires: 2026

Other offices held as of December 31, 2023

Chairman of the Board Directors

Caisse de Crédit Mutuel d'Yzeure

Director

Fédération du Crédit Mutuel Massif Central

Caisse Régionale du Crédit Mutuel Massif Central

Terms of office expired over the past five fiscal years

Vice-Chairman of the Board of Directors

Caisse de Crédit Mutuel de Moulins

Director

Caisse de Crédit Mutuel de Cebazat

Caisse de Crédit Mutuel de Montferrand

Nicolas Habert

Born on April 27, 1962
Nationality: French

Business address:
6 rue de la Tuilerie
31130 Balma

Summary of main areas of expertise and experience

A graduate of ISEP and ESSEC and holder of an Actuarial degree, Nicolas Habert has been an independent consultant with NH Consulting since 2007. He began his career in 1987 at the Banque Nationale de Paris as customer relationship manager before joining Caisse des Dépôts et Consignations in 1989 and then Caisse Centrale de Crédit Mutuel in 1993. From 1988 to 2012 he worked as a part-time trainer for various entities at the training center for the banking profession and the Purpan engineering school from 1996 to 2007, where he taught management, finance and international commerce.
In 2001, he became a director of a new Crédit Mutuel local bank and was appointed Chairman in 2010. Since 2017, he has been a federal director and Chairman of the Supervisory Board of Cautionnement Mutuel de l'Habitat. In May 2020, he was appointed Chairman of Caisse Régionale and Fédération du Crédit Mutuel Midi-Atlantique.

Director
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2020
Term expires: 2024

Other offices held as of December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Midi Atlantique
Caisse Régionale du Crédit Mutuel Midi Atlantique
Caisse du Crédit Mutuel de Toulouse Purpan
Director
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Midi-Atlantique, director
Assurances du Crédit Mutuel Vie SAM
Permanent representative of Marsovalor, director
Banque CIC Sud Ouest
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Supervisory Board
Cautionnement Mutuel de l'Habitat

Catherine Lamblin Messien

Born on August 17, 1964
Nationality: French

Business address:
4 place Richebé
59011 Lille

Summary of main areas of expertise and experience

After preparing for and obtaining her diploma in accounting and financial studies (DESCF) at the Institut d'expertise comptable of La Catho Lille in 1987, Catherine Lamblin Messien began her career at Cabinet Lecat as an accountant. In 1990, she joined Declercq before obtaining her diploma as a chartered accountant (DEC) in 1992. In the same year, she joined Cofidine - Conseil Fiduciaire, Audit & Finance, as a chartered accountant.
Since 1995, she has held managerial positions within the same firm, which has 15 employees. In 2015, she was elected Chairwoman of a Crédit Mutuel local bank. She holds offices within Crédit Mutuel at local, regional and national levels.

Director
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2022
Term expires: 2025

Other offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel de Cambrai
Vice-Chairwoman of the Board of Directors
Caisse Fédérale du Crédit Mutuel Nord-Europe
Fédération du Crédit Mutuel Nord-Europe
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Crédit Industriel et Commercial
Cautionnement Mutuel de l'Habitat
Chief Executive Officer
Cofidine Conseil Fiduciaire Audit & Finance
Managing Partner
Groupement forestier du bois de la Chassagne

Terms of office expired over the past five fiscal years

Managing Partner
Cofidine Conseil Fiduciaire Audit & Finance
Treasurer
Association Femmes Chefs d'entreprise (FCE)

4

Albert Mayer

Born on September 17, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Albert Mayer holds certificates of Higher Accounting Studies and has been the Chairman of the firm Albert Mayer Expertise et Audit Comptable since 2009. Albert Mayer has also been a member of the Metz Association of Statutory Auditors since 1994 and is a legal expert with the Metz Court of Appeal.
In 1993 he was appointed Chairman of a Crédit Mutuel local bank. Since 2018, he has been Chairman of the Saint-Avold District of Fédération du Crédit Mutuel Centre Est Europe.

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2018
Term expires: 2024

Offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel Freyming Hombourg-Haut
Chairman
Mayer Albert Expertise et Audit Comptable
Director and Chairman of the Saint Avold District
Fédération du Crédit Mutuel Centre Est Europe
Managing Partner
Secogem expertise comptable
Pôle d’expertise comptable

Terms of office expired over the past five fiscal years

Nil

Franck Mogade

Born August 13, 1973
Nationality: French

Business address:
Rue Professeur Raymond Garcin
97200 Fort-de-France

Summary of main areas of expertise and experience

Graduated in business activities and accounting, Franck Mogade has been managing a public works company since 2002. In 2022, he was elected deputy mayor in charge of development, urban planning and technical services in the commune of Sainte-Marie. He has been president of a Crédit Mutuel local bank since 2019 and a member of the Fédération and Caisse Régionale de Crédit Mutuel Antilles Guyane since 2020.

Director
First appointed to the Board: 2023
Term expires: 2026

Offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel Nord Atlantique
Director
Fédération du Crédit Mutuel Antilles Guyane
Caisse Régionale du Crédit Mutuel Antilles Guyane
Managing Partner
FY TP FOR YOU TRAVAUX PUBLICS
SOC TERRASSEMENT TRAV PUBLICS

Terms of office expired over the past five fiscal years

Nil

Thierry Reboulet

Born on August 3, 1962
Nationality: French

Business address:
130-132 avenue Victor-Hugo
26009 Valence Cedex

Summary of main areas of expertise and experience

Holder of a Technology University Degree in Business Management and Administration, Thierry Reboulet served as General Manager of Services at the town hall of Tain l'Hermitage for 17 years (36 years of service).
In 1998 he was appointed Chairman of a Crédit Mutuel local bank. In 2001, he became a director of Fédération du Crédit Mutuel Dauphiné-Vivarais. He was appointed Chairman of Caisse de Crédit Mutuel de Tain l'Hermitage in 2014. Since 2021, he has chaired the Fédération and Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais and has been Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel since 2022.

Director
Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2021
Term expires: 2024

Other offices held as of December 31, 2023

Chairman of the Board Directors
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais
Caisse de Crédit Mutuel Vallée du Rhône
Caisse de Crédit Mutuel Tain l'Hermitage
Permanent representative of Caisse Régionale du Crédit Mutuel Dauphine-Vivarais, director
Assurances du Crédit Mutuel Vie SAM
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Nil

René Schwartz

Born on January 14, 1957
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a Master's degree in Law and a DESS in Business Administration, René Schwartz, until his retirement as of June 30, 2019, worked as a lawyer specializing in tax law at the Société Fiduciaire d'Alsace et de Lorraine in Mulhouse.
From 1992 onward, he was elected Chairman of Caisse de Crédit Mutuel du Nouveau Monde in Bollwiller.
Since the end of 2018, he has been Chairman of the Union des Caisses de Crédit Mutuel of the Mulhouse District and a director of Fédération Centre Est Europe and Banque Fédérative du Crédit Mutuel.

Director
Associate member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2018
Term expires: 2024

Other offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel du Nouveau Monde
Director and Chairman of the Mulhouse District
Fédération du Crédit Mutuel Centre Est Europe

Terms of office expired over the past five fiscal years

Director
CARPA Mulhouse

Francis Singler

Born on July 18, 1956
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of an Industrial Methods Technician degree, Francis Singler is retired. He spent his career with APF Entreprises Alsace, holding positions as production manager and then IT manager before retiring in 2018.
In 2001, he was appointed director of a Crédit Mutuel local bank. He was Chairman of the training commission for elected representatives of the Sélestat District from 2006 to 2018. Since 2018, he has been Chairman of the Sélestat district of Fédération du Crédit Mutuel Centre Est Europe and Chairman of the Board of Directors of the Ried Centre Alsace bank.

Director
First appointed to the Board: 2018
Term expires: 2024

Other offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel Ried Centre Alsace
Member of the Supervisory Board
Euro-Information Production
Director and Chairman of the Sélestat District
Fédération du Crédit Mutuel Centre Est Europe

Terms of office expired over the past financial fiscal years

Nil

Alain Têtedoie

Born on May 16, 1964
Nationality: French

Business address:
10 rue de Rieux
44040 Nantes

Summary of main areas of expertise and experience

A graduate in Horticulture, Alain Têtedoie is Chairman and Chief Executive Officer in the agri-food sector.
In 1991, he became a director of a Crédit Mutuel local bank. He has been Chairman of Fédération and Caisse Régionale du Crédit Mutuel Loire-Atlantique et Centre-Ouest since 2006 and has also been a confederal director since 2004.

Director
First appointed to the Board: 2007
Term expires: 2024

Other offices held as of December 31, 2023

Chairman
Thalie Holding
Chairman of the Board Directors
Fédération du Crédit Mutuel de Loire-Atlantique et du Centre Ouest
Caisse Régionale du Crédit Mutuel de Loire-Atlantique et du Centre Ouest
Chairman of the Supervisory Board
Crédit Mutuel Immobilier
Vice-Chairman of the Supervisory Board
Banque Européenne du Crédit Mutuel
Permanent representative of Fédération du Crédit Mutuel Loire-Atlantique et Centre-Ouest, Chairman
Investlaco
Fondation Cemavie
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Caisse de Crédit Mutuel de Loire Divatte
Permanent representative of EFSA, director
Banque CIC Ouest
Permanent representative of Caisse Régionale du Crédit Mutuel Loire-Atlantique et Centre-Ouest, director
Assurances du Crédit Mutuel Vie SAM
SODEREC
Representative of Thalie Holding, Chairman
La Fraiseraie SAS
Representing Thalie Holding, managing partner
SCEA La Fraiseraie
Managing Partner
GFA La Fraiseraie
Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Supervisory Board
Centre de Conseil et de Service (CCS)
Director
Caisse Fédérale de Crédit Mutuel

Directors whose terms of office expired in 2023

Elio Gumbs

Born November 23, 1961
Nationality: French

Business address:
Rue du Prof Raymond Garcin
97201 Fort de France

Summary of main areas of expertise and experience

Holder of a DUT in Civil Engineering, Elio Gumbs has been central group head at Électricité de France since 2001. In 1983, he began his career as a technology teacher before joining Électricité de France in 1984. In 2008, he became a director of a Crédit Mutuel local bank and was appointed Chairman in 2017. Since 2005, he has been Vice-Chairman of the Boards of Directors of Fédération and Caisse Régionale de Crédit Mutuel Antilles-Guyane.

Director
First appointed to the Board: 2020
Term expires: 2023

Other offices held as of December 31, 2023

Chairman of the Board Directors
Caisse de Crédit Mutuel de Saint-Martin
Chairman
Howlite Concept
Director
Caisse Régionale du Crédit Mutuel Antilles-Guyane

Terms of office expired over the past five fiscal years

Director
Fédération du Crédit Mutuel Antilles-Guyane

Bich Van Ngo

Born on July 21, 1956
Nationality: French

Business address:
18, rue de La Rochefoucauld
75439 Paris

Summary of main areas of expertise and experience

A chartered accountant, with a Master's degree in Economics from the University of Paris Dauphine and corporate director certification from Sciences-Po Paris, Bich Van Ngo has been Chairwoman and Chief Executive Officer of NGO Audit et Conseil since 2018.
She began her career in 1979 and worked in various groups as Chief Financial Officer and then Chairwoman and Chief Executive Officer. In 1995, she created the accounting and auditing firm Audit et Conseil Europe, which she managed until 2018.
In 2013, she was appointed to the Board of Directors of Caisse de Crédit Mutuel de Verrières le Buisson before becoming its Chairwoman in 2015. She has been a member of the Board of Directors of Fédération du Crédit Mutuel Ile-de-France since 2018, of the Group Auditing and Accounting Committee of Crédit Mutuel Alliance Fédérale since 2020 and of the Board of Directors of Banque Fédérative du Crédit Mutuel since 2021.

Director
Chairwoman of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2021
Term expires: 2023

Other offices held as of December 31, 2023

Chairwoman of the Board of Directors
Crédit Mutuel de Verrières le Buisson
Director
Banque de Luxembourg
Fédération du Crédit Mutuel Ile-de-France
Independent Director
Haffner Energy
Chairwoman – Chief Executive Office
NGO Audit et conseil
Chairwoman
Association mouvement des citoyens français d'origine vietnamienne

Terms of office expired over the past five fiscal years

Nil

Gislhaine Ravanel

Born September 30, 1952
Nationality: French

Business address:
99 avenue de Genève
74054 Annecy

Summary of main areas of expertise and experience

A graduate of École Pigier de Nice, Gislhaine Ravanel is mayor of the municipality of Houches. She worked for the Chamonix Town Hall and then for the Communauté de Communes Pays du Mont-Blanc before retiring in 2013.
She has been Chairwoman of a Crédit Mutuel local bank since 2008 as well as Chairwoman of the District Arve/Genevois and member of the Board of Directors of Fédération du Crédit Mutuel Savoie-Mont Blanc since 2017.

Director
First appointed to the Board: 2019
Term expires: 2023

Other offices held as of December 31, 2023

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Chamonix
Director and Chairwoman of the District Arve/Genevois
Fédération du Crédit Mutuel Savoie-Mont Blanc

Terms of office expired over the past fivefiscal years

Censor
Caisse Fédérale de Crédit Mutuel

Group's key executives

Daniel Baal

Born on December 27, 1957
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Daniel Baal began his career in 1979 as a credit records manager at the head office of Banque Fédérative du Crédit Mutuel in Strasbourg and went on to hold various head office and network positions in Strasbourg, Colmar and Mulhouse. In 1995, he became director of commitments at the Southern Regional Division of Caisse Fédérale du Crédit Mutuel Centre Est Europe, then director of Caisse de Crédit Mutuel Mulhouse-Europe in 1999. He was Deputy Chief Executive Officer of Société du Tour de France and director of “cycling” activities for Sport Amaury Organisation from 2001 to 2004. In 2004, he became manager of Caisse Fédérale de Crédit Mutuel Centre Est Europe before being appointed Chief Executive Officer of Fédération and Caisse Régionale du Crédit Mutuel Île-de-France. Then, in 2010, he was appointed Deputy Chief Executive Officer of Confédération Nationale du Crédit Mutuel, then Deputy Chief Executive Officer of Crédit Industriel et Commercial in 2014 and Chief Executive Officer of Caisse Centrale de Crédit Mutuel in 2015.
Since 2017, he has been Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chief Executive Officer of Crédit Industriel et Commercial, Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe and a member of the Executive Board of Groupe des Assurances du Crédit Mutuel.
Daniel Baal is a graduate of EDC Paris Business School, majoring in Financial Management.

Chief Executive Officer – effective manager
First appointed: 2017
Term expires: 2026

Other offices held as of December 31, 2023

Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Crédit Industriel et Commercial
Chairman of the Supervisory Board
Cofidis
Cofidis Group
Euro-Information Production
Member of the Executive Board
Groupe des Assurances du Crédit Mutuel
Vice-Chairman of the Board of Directors
Banque de Luxembourg
Director
Crédit Mutuel Impact
Member of the Supervisory Board
TARGOBANK AG
Permanent representative of Caisse Fédérale de Crédit Mutuel, director
Fonds de dotation pour un sport propre

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
CIC Sud Ouest
CIC Ouest
Chairman of the Supervisory Board
CIC Iberbanco
Vice-Chairman of the Supervisory Board
TARGO Deutschland GmbH
TARGOBANK AG
TARGO Management AG
Director
Fivory SA
Fivory SAS
Permanent representative of Caisse Régionale du Crédit Mutuel Île-de-France, member of the Management Board
Euro-Information

Éric Charpentier

Born on October 6, 1960
Nationality: French

Business address:
6 avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Éric Charpentier is a graduate of the École Normale Supérieure with an agrégation in Mathematics, a DEA in Operational Research and a specialized Master's degree in Financial Techniques from the ESSEC business school. He began his career in 1987 with the Société Financière des Sociétés de Développement Régional – Finansder, of which he became Chief Executive Officer. He joined Crédit Mutuel Nord Europe in 1998 as Deputy Chief Executive Officer in charge of the finance and corporate division, then became Chief Executive Officer of Crédit Mutuel Nord Europe in 2006.
Since 2021, Éric Charpentier has been Deputy Chief Executive Officer of Crédit Industriel et Commercial and Chief Operating Officer, effective manager of Banque Fédérative du Crédit Mutuel since 2022. He serves as Chairman of the Board of Directors in several Crédit Mutuel Alliance Fédérale bodies in France and abroad.

Chief Operating Officer, effective manager
First appointed: 2022
Term expires: 2025

Other offices held as of December 31, 2023

Chief Executive Officer
Caisse Régionale and Fédération du Crédit Mutuel Nord Europe
Deputy Chief Executive Officer
Crédit Industriel et Commercial
Chairman of the Board Directors
Beobank
Banque de Tunisie
CIC (Suisse)
Banque de Luxembourg
Crédit Mutuel Investment Managers
Chairman of the Supervisory Board
Crédit Mutuel Equity
Member of the Supervisory Board
Groupe La Française
Euratechnologies
Director
UFR3S (Faculté de sport et Santé de l'université de Lille)
Crédit Mutuel Impact
Representative of VTP - 1 Investissements, member of the Supervisory Board
Banque Transatlantique
Representative of VTP - 1 Investissements, director
Crédit Mutuel Asset Management

Terms of office expired over the past five fiscal years

Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Crédit Mutuel Nord Europe Belgium
Société Foncière et Immobilière Nord Europe
Crédit Industriel et Commercial
Chairman of the Board Directors
Sciences Po Lille
Representative of CFCM Nord Europe, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Representative of CFCM Nord Europe, member of the Management Board
Euro-Information
Permanent representative of BFCM, director
Astree Assurances

Alexandre Saada

Born on September 5, 1965
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Alexandre Saada began his career in London in 1992 at SG Warburg (merged into UBS Investment Bank in 1995) in the corporate finance department, specialized in the financial institutions sector before working as a managing partner at S Capital from 2002 to 2010. In 2010, he joined Société Générale as head of Mergers & Acquisitions for the financial institutions sector for France and Benelux. In 2015, he became executive management advisor and then Chief Financial Officer of Crédit Mutuel Nord Europe.

Since June 2017, he has been Deputy Chief Executive Officer of Banque Fédérative du Crédit Mutuel and Chairman of the Board of Directors of Crédit Mutuel Home Loan SFH. He has also been Chairman of the Board of Directors of CIC Ouest since 2018 and director of the "Finance Division" of Crédit Mutuel Alliance Fédérale since 2021.

Alexandre Saada is a graduate of Sciences Po Paris (1988 – Economics and Finance section), holds a Master of Science in Management (1987), a DEA in International Economics and Finance (1988) from Université Paris Dauphine and a Master of Science in Finance (1989 – Jean Monnet scholarship) from Lancaster University (UK).

Deputy Chief Executive Officer – effective manager
First appointed: 2018
Term of office with unlimited term

Other offices held as of December 31, 2023

Director, Finance Division
Caisse Fédérale de Crédit Mutuel
Chairman of the Board Directors
Crédit Mutuel Home Loan SFH
Vice-Chairman of the Supervisory Board
Cofidis
Cofidis Group
Permanent representative of BFCM, director
Assurances du Crédit Mutuel IARD SA
Banque de Tunisie
Member of the Supervisory Board
TARGOBANK AG
TARGO Deutschland GmbH

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
CIC Ouest
Permanent representative of Marsovalor, director
Crédit Mutuel Investment Managers
Permanent representative of BFCM, director
Opuntia (LUXE TV) SA
Censor
Cofidis
Cofidis Group

4.2.4 Delegations of authority granted by the Shareholders' Meeting to the Board of Directors for capital increases currently in use

Nil.

4.2.5 Regulated agreements

This part is dealt with in part 9 "Capital and legal information" in the section "Special report of the statutory auditors on regulated agreements" of this universal registration document.

4.2.6 Preparation and organization of the work of the corporate bodies

4.2.6.1 Procedures for holding the Shareholders' Meeting

The procedures for holding Banque Fédérative du Crédit Mutuel Shareholders' Meeting are set out in Articles 22 *et seq.* of the articles of association.

The Ordinary Shareholders' Meeting (OSM) brings together all shareholders at least once a year, convened by the Board of Directors, to vote on an agenda set by the Board.

The Extraordinary Shareholders' Meeting (ESM) is convened whenever decisions are required to amend the company's articles of association, including a capital increase. Resolutions must be approved by a two-thirds majority of shareholders present or represented.

The Combined Shareholders' Meeting (CSM) brings together the two previous meetings (OSM and ESM) on the same date, on the same notice of meeting.

The last Shareholders' Meeting of Banque Fédérative du Crédit Mutuel was held on September 15, 2023, on first notice.

4.2.6.2 Operation of the Board of Directors

Rules of operation of the Board of Directors

The functioning of the Board of Directors is governed by Articles 14 to 18 of the articles of association.

Powers of the Board of Directors

The Board of Directors sets the course of the company's business and ensures its implementation. Subject to the powers expressly granted by law to Shareholders' Meetings and within the limits of the corporate purpose, it tackles any issues concerning the smooth running of the company and regulates those matters concerning it *via* its deliberations.

Composition of the Board of Directors

The company is administered by a Board of Directors comprising no fewer than three and no more than 18 members elected for renewable three-year terms, who maybe natural persons or legal entities.

The Board of Directors may appoint censors for three-year terms. They participate in the deliberations of the Board of Directors in an advisory capacity. They may, by a decision of the majority of censors present or represented, request a second deliberation by the board.

Age limit

The age limit is set at 70 for directors and 75 for censors. When those ages are reached, terms of office shall end at the Shareholders' Meeting following the date of the birthday for the directors and at the board meeting following the anniversary date for the censors.

Cumulative validity with an employment contract

No director shall have an employment contract with the company and its controlled subsidiaries.

Director skills and training

Banque Fédérative du Crédit Mutuel attaches great importance to the competence of its directors.

Crédit Mutuel Alliance Fédérale has set up a Mutualist University, within the cooperative and mutualist life department of Caisse Fédérale de Crédit Mutuel, to support its new Togetherness Performance Solidarity strategic plan.

The Mutualist University is designed to cover all the fundamental, regulatory, behavioral and mutualist skills required to:

- meet the legal and regulatory requirements for bank directors, and develop their ability to question and express themselves,
- commit to a benefit corporation in order to contribute to a fairer, more sustainable society,
- develop employability, and in particular the ability to integrate, evolve and retrain, and/or the ability to lead corporate, association or societal projects,
- flourish as a human being through continuous development of skills, self-confidence and inclusion among peers and in society.

To promote diversity in the workplace, the Mutualist University relies on a set of andragogical methods based on neuroscience and the needs of diverse adults to acquire and develop skills throughout their lives, at their own pace, according to their needs and appetites.

The main objective of the Mutualist University is to provide everyone with the opportunity to develop their skills, based on knowledge from:

- both theoretical, academic and scientific fields, as they might be taught in higher education, and to make them accessible to everyone,
- and from the expertise of Crédit Mutuel Alliance Fédérale's employees, managers, elected representatives, directors and members.

It is based on three offers:

- a main offer which enables everyone to learn and develop a skill in 30 minutes, using the method they prefer, locally or online, in groups or individually. The site offers a catalog of content (videos, animations, replays, podcasts, etc.), ranging from a few minutes to an hour, accessible at any time, and covering a dozen or so areas of expertise.
- an event offer, which is available to Crédit Mutuel federations and entities, enabling them to organize a conference, workshop, seminar or round table at least once a year, with the support of the Mutualist University.
- a diploma- or certificate-granting offer designed to recognize current skills and those acquired through the Mutualist University, in particular by means of certified badges. This offer also includes a university diploma in partnership with the University of Strasbourg, already in its third year.

At the Mutualist University, curricula designed for each level of office enable elected representatives to develop their skills in a contextualized way, according to the key moments of their office and the events and missions that punctuate their year.

For umbrella organizations, a program of conferences hosted by the group's key executives and experts is available live and recorded on the website www.universitemutualiste.fr. A skills assessment is attached to each training course and, on successful completion, entitles the trainee to a certified badge.

Other actions may be scheduled at the institution's request.

Conflicts of interest concerning the administrative, management and supervisory bodies

For Banque Fédérative de Crédit Mutuel, there has been to date, no mention of potential conflicts of interest between the duties of any of the members of the Board of Directors and Executive Management with respect to Banque Fédérative du Crédit Mutuel and its private interests and/or other duties.

Members of the Board of Directors and Executive Management are subject to the legal and regulatory obligations applicable to conflicts of interest. All Banque Fédérative du Crédit Mutuel officers, directors and censors adhere to the values and commitments of Crédit Mutuel Alliance Fédérale described in its code of conduct.

The purpose of this code is to prevent and, where necessary, manage conflict of interest cases. In addition, the Board of Directors of the Banque Fédérative du Crédit Mutuel adopted a charter for members of the supervisory bodies - ethics, conflicts of interest and personal declarations in 2022. This charter aims to prevent conflicts of interest by implementing measures. For example, the member of the Board of Directors shall inform the Board of any conflict of interest, including potential, in which they may be directly or indirectly involved and, in this case, they shall refrain from participating in discussions and decision-making on the subjects concerned.

Service contracts

As of December 31, 2023, there are no service contracts linking any member of the Board of Directors or Executive Management to, and providing benefits to, Banque Fédérative du Crédit Mutuel or any of its subsidiaries.

Statement as to legal and criminal sanctions

During the past five years no member of the Board of Directors has been convicted of fraud, no member of Executive Management has gone into bankruptcy or been associated with a court-ordered protection, receivership or liquidation procedure; and no charge or official public sanction has been upheld against a member of the Board of Directors or Executive Board by statutory or regulatory authorities (including designated professional bodies). Furthermore, during the past five years no member of said Boards has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer of securities or from acting in the management or business dealings of any issuer of securities.

Diversity of the Board of Directors

- Gender balance

  Banque Fédérative du Crédit Mutuel is not subject to the provisions of Article L.225-18-1 of the French Commercial Code. However, following the decision of Caisse Fédérale de Crédit Mutuel on July 27, 2023, the head entity of Crédit Mutuel Alliance Fédérale, to reduce the size of the boards of Caisse Fédérale de Crédit Mutuel and Banque Fédérative du Crédit Mutuel, the Board of Directors of Banque Fédérative du Crédit Mutuel will have equal representation as of January 1, 2024.

- Regional representation

  The directors of Banque Fédérative du Crédit Mutuel come from all of the federations throughout the territory within the scope of Crédit Mutuel Alliance Fédérale.

- Representation of society

  The diversity of the directors of Banque Fédérative du Crédit Mutuel in terms of sociology, age, origin and gender tends to result in a Board of Directors that is representative of the customers and society.

- Strategic plan

  The 2024-2027 Togetherness Performance Solidarity strategic plan of Crédit Mutuel Alliance Fédérale, approved by the Board of Directors of Banque Fédérative du Crédit Mutuel on November 23, 2023 and then adopted by the *Chambre syndicale et interfédérale* on December 7 and 8, 2023, reaffirms the group's ambition to achieve balanced representation in the composition of its governance, with in particular a target of 50% women in Group governance.

- Diversity Charter

  On December 2, 2022, the Board of Directors of Banque Fédérative du Crédit Mutuel adopted a charter on the diversity policy for the members of the supervisory bodies.

Independence of directors

Certain members of the Board of Directors may qualify as independent mutualist directors, following a review of their situation by Caisse Fédérale de Crédit Mutuel's Appointments Committee. At its meeting on February 4, 2022, the Appointments Committee adopted the criteria for independent mutualist directors set out in the internal rules of Caisse Fédérale de Crédit Mutuel, and extended them to Banque Fédérative du Crédit Mutuel and CIC. The criteria were specified at the Caisse Fédérale de Crédit Mutuel Board meeting on November 23, 2023.

This review must verify that there is no relationship between the director and BFCM, whether financial, family or personal. In particular, a director can only be qualified as independent if he or she satisfies the following conditions:

- is not an employee or former employee of the group;
- must not have been a director of a Crédit Mutuel Alliance Fédérale umbrella banking entity (CFCM, BFCM, BECM, CIC) or of the Confederation for more than 12 years;
- does not have any financial ties considered significant;
- he or she has not received an indemnity or compensation, in any form whatsoever (excluding reimbursement of expenses), within the Crédit Mutuel group in excess of an annual amount set in the charter governing the exercise of office of members of the Boards of Crédit Mutuel Alliance Fédérale and in the provisions set forth by Confédération Nationale du Crédit Mutuel.

BFCM has determined the proportion of independent members in accordance with the guidelines of the EBA, which considers the presence of independent members as a good practice and therefore does not impose a number of independent directors.

In the light of these rules, of the 18 directors of BFCM as of December 31, 2023, 14 directors, or 77%, are considered independent mutualist directors.

Assessment of the Board of Directors and its committees

Crédit Mutuel Alliance Fédérale umbrella committees conduct an annual assessment of their operations and composition under the responsibility of the Caisse Fédérale de Crédit Mutuel Appointments Committee.

4.2.6.3 Board activity in 2023

The Board of Directors meets at least four times a year according to a pre-established schedule.

Each item on the agenda has its own separate file or presentation, depending on its size, to better inform the members of the board. The minutes give a detailed record of deliberations, decisions and votes.

Meeting of February 7-8, 2023

The Board of Directors meeting of February 7-8, 2023 focused on the following topics in particular:

- presentation of the balance sheet and consolidated financial statements as of December 31, 2022 of Crédit Mutuel Alliance Fédérale;
- observation of the statutory auditors;
- Group Auditing and Accounting Committee report of February 2, 2023;
- observation of the statutory auditors;
- presentation of the annual and consolidated financial statements of Banque Fédérative du Crédit Mutuel at December 31, 2022;
- approval of the annual and consolidated financial statements as of December 31, 2022;
- regulated agreements;
- summary of the GRMC of January 11, 2023 and February 1, 2023;
- summary of relations with regulators;
- update on breaches of the risk appetite framework at September 30, 2022;
- proposed 2023 review of the risk appetite framework, including changes concerning interest rate and liquidity risks;
- update on risk monitoring and ALM;
- update on GACM's IT risk monitoring delegation;
- update on the preventive recovery and resolution plan;
- update on the hydrocarbons sectoral policy;
- 2022 activity of the compliance audit function;
- main risk areas;
- general operating expenses in 2022 – final figures;
- reappointment of the Chief Executive Officer;
- report of the Compensation Committee of February 1 and 6, 2023;
- report of the Appointments Committee of December 20, 2022 and February 1, 2023;
- approval of the annual contribution of BFCM to Crédit Mutuel Alliance Fédérale foundation.

Meeting of April 6, 2023

The Board of Directors meeting of April 6, 2023 focused on the following topics in particular:

- Group Auditing and Accounting Committee report of March 27, 2023;
- presentation and review of the annual internal control report;
- approval of the AML/CFT annual internal control report;
- summary of the Group Risk Monitoring Committee report of March 31, 2023;
- relations with regulators;
- RAF overruns at December 31, 2022;
- risk monitoring as of December 31, 2022 ;
- validation of Crédit Mutuel Alliance Fédérale's risk mapping;
- approval of Crédit Mutuel Alliance Fédérale's ICAAP;
- approval of Crédit Mutuel Alliance Fédérale's ILAAP;
- validation of updated credit risk framework;
- report of the Compensation Committee of April 3, 2023 and report of the compensation policy and practices for 2022;
- approval of the list of risk-takers and the overall compensation package paid to regulated persons covered by the regulations;
- breakdown of the overall compensation package under the charter governing the exercise of offices of members of the Boards of Directors;
- report of the Appointment Committee of February 28, March 15 and April, 4, 2023;

- reappointment of the Chairman of the Board;
- management reports and corporate governance reports;
- preparation and convening of the Ordinary Shareholders' Meeting of May 10, 2023.

Meeting of July 27, 2023

The Board of Directors meeting of July 27, 2023 focused on the following topics in particular:

- presentation of Crédit Mutuel Alliance Fédérale consolidated financial statements at June 30, 2022;
- presentation of Banque Fédérative du Crédit Mutuel consolidated financial statements at June 30, 2022;
- approval of Crédit Mutuel Alliance Fédérale consolidated financial statements as of June 30, 2023;
- approval of Banque Fédérative du Crédit Mutuel consolidated financial statements at June 30, 2023;
- report of the Group Auditing and Accounting Committee of July 26, 2023;
- relations with regulators;
- presentation of work carried out as part of the follow-up to the SREP 2022 letter (CNCM and Crédit Mutuel Alliance Fédérale);
- breaches of the risk appetite framework;
- risk monitoring;
- review of sectoral policies;
- duties of supervisory authorities;
- Crédit Mutuel and CIC network activity: summary of the Claims committee
- report of the Appointments Committees of May 22, June 23 and July 24, 2023, including the assessment of the Board of Directors of Caisse Fédérale de Crédit Mutuel;
- report of the Compensation Committee of July 24, 2023, including the opinion on the coordination process of the Compensation Committee on the compensation of the managing directors of federations or regional banks and other executive management of Crédit Mutuel Alliance Fédérale;
- subsidiaries and equity investments;
- co-opting to Board of Directors;
- "Ensemble Gestion" project: approval of the documentation and convening of an Extraordinary Shareholders' Meeting on September 15, 2023.

Meeting of November 23, 2023

The Board of Directors meeting of November 23, 2023 focused on the following topic in particular:

- information on Crédit Mutuel Alliance Fédérale's consolidated earnings at September 30, 2023;
- Group Auditing and Accounting Committee report of September 29, 2023;
- Group Risk Monitoring Committee report of September 27 and November 17, 2023;
- relations with regulators;
- presentation of the draft data quality governance framework;
- breaches of the risk appetite framework;
- risk monitoring;
- annual newsletter on the ethics system;
- reports of the Appointments Committees of September 4 and 18, October 17 and November 17, 2023;
- report of the Compensation Committee of November 20, 2023;
- general operating expenses in 2023 - General operating expenses budget in 2024;
- subsidiaries and equity investments;
- opinion of the Social and Economic Committee on strategic guidelines;
- approval of the Crédit Mutuel Alliance Fédérale 2024-2027 strategic plan, subject to its adoption by the *Chambre syndicale et interfédérale*;
- project to transfer CIB activities from CIC and its specialized business line subsidiaries to BFCM;
- appointment of a new Chief Executive Officer, effective manager;
- governance changes and appointment of a new Chairman of the Board of Directors.

4.2.6.4 Regulatory committees of Crédit Mutuel Alliance Fédérale

Since the Banque Fédérative du Crédit Mutuel Board of Directors meeting of November 17, 2017, Banque Fédérative du Crédit Mutuel has been a member of the Appointments and Compensation Committees of Caisse Fédérale de Crédit Mutuel and, more broadly, of all Crédit Mutuel Alliance Fédérale regulatory committees, the umbrella committees of Crédit Mutuel Alliance Fédérale report on their work to the Banque Fédérative du Crédit Mutuel Board of Directors (see paragraph 4.1.6.4 of the corporate governance report of Caisse Fédérale de Crédit Mutuel relating to the regulatory committees of Caisse Fédérale de Crédit Mutuel).

4.2.6.5 Ethics

Crédit Mutuel Alliance Fédérale's code of conduct was approved in June 2018.

This registration document, which includes all regulatory and legal requirements relating to conduct, reiterates the principles that each entity and employee of the group should abide by in the exercise of their activities. It is part of the group's overall objectives in terms of quality of customer service, integrity and rigor in the processing of transactions and compliance with regulations. It applies to all group entities in France and abroad, in accordance with local regulations.

In particular, the code of conduct contains provisions on preventing conflicts of interests, combating corruption and rules applicable to persons in possession of inside information.

The code of conduct is circulated to all employees and must be consulted by all on the Intranet of each group entity.

This code is supplemented by another code of conduct, which applies to all elected representatives and employees as well as to all Crédit Mutuel Alliance Fédérale entities. Its purpose is to introduce the group's commitments and the resulting rules of behavior in terms of respect for the individual, parity and openness, protection of and respect for the environment, the duty of good management, the duty of confidentiality and data protection, the duty to act in a reserved manner, the duty to educate, conflicts of interest, and the duty to abide by the group's values and regulations.

4.2.6.6 Executive Management

Composition and prerogatives of Executive Management

In accordance with Article L.511-58 of the French Monetary and Financial Code, Banque Fédérative du Crédit Mutuel has opted for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer. The effective management of the institution is carried out by at least two people and has all the powers attached to it by banking and financial laws and regulations, both internally and with regard to third parties.

Prerogatives of Executive Management

The articles of association do not provide for any particular limitation on the powers of the effective managers but a decision of the Board of Directors on February 20, 2019 defines the cases in which prior approval by the Board is required, namely, plans to acquire or dispose of equity interests (excluding financial investments) in an amount exceeding €100 million.

4.2.7 Compensation principles and rules for the identified individuals (Articles L.511-71 *et seq.* of the French Monetary and Financial Code)

Banque Fédérative du Crédit Mutuel applies the principles and rules of compensation for identified individuals decided by Caisse Fédérale de Crédit Mutuel, which are presented in its report on corporate governance.

4.2.8 Principles for determining the compensation granted to corporate officers

As part of the implementation of a compensation and termination benefit system within Caisse Fédérale de Crédit Mutuel for the Chairman and Chief Executive Officer, as of June 1, 2019, the Board of Directors of BFCM on February 20, 2019 decided that the terms of office of Chairman of the Board of Directors and Chief Executive Officer would no longer be remunerated as of June 1, 2019.

For the guiding principles, implementation and compensation received, see paragraph 4.1.8 of the Caisse Fédérale de Crédit Mutuel's corporate governance report on the principles for determining the compensation paid to corporate officers.

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO DECEMBER 31, 2023

2023 *(in euros)*[a]	Origin[b]	Fixed portion	Variable portion	Benefits in kind[c]	Employer contributions for supplementary benefits	Total[d]
Nicolas Théry	Caisse Fédérale de Crédit Mutuel	901,277.87		12,342.00	9,427.04	923,046.91
Daniel Baal	Caisse Fédérale de Crédit Mutuel	920,833.39		4,769.40	9,427.04	935,029.83
Éric Charpentier	Crédit Mutuel Nord Europe	884,997.54		2,829.12	9,427.04	897,253.70

(a) *These are gross amounts corresponding to amounts paid during the fiscal year.*

(b) *The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.*

(c) *Company cars and/or senior executive insurance policy (GSC).*

(d) *Eric Charpentier, benefits from a specific supplementary pension plan (defined-benefit pension plan).*

2022 *(in euros)*[a]	Origin[b]	Fixed portion	Variable portion	Benefits in kind[c]	Employer contributions for supplementary benefits	Total
Nicolas Théry	Caisse Fédérale de Crédit Mutuel	880,000.08		12,342.00	8,617.92	900,960.00
Daniel Baal	Caisse Fédérale de Crédit Mutuel	880,000.08		4,769.40	8,617.92	893,387.40
Éric Charpentier	Crédit Mutuel Nord Europe	752,200.08	174,522.00	2,829.12	8,617.92	938,169.12

(a) *These are gross amounts corresponding to amounts paid during the fiscal year.*

(b) *The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.*

(c) *Company cars and/or senior executive insurance policy (GSC).*

By financing virtuous forestry actions with a positive impact on the climate, biodiversity and landscapes, the **Sylv'ACCTES** association is building the forests of tomorrow. The Crédit Mutuel Alliance Fédérale Foundation supports the various programs, helping to roll them out in new areas, particularly in the Grand-Est region.

5

Risks and capital adequacy – Pillar 3

INTRODUCTION

Pursuant to Article 4.1 of CRBF Regulation No. 2000-03 of September 6, 2000 on consolidated prudential supervision and additional supervision, BFCM, which is included in the consolidation scope of Crédit Mutuel Alliance Fédérale, is not subject to management ratios on a sub-consolidated basis.

As a result, all the data presented in this chapter relate to Crédit Mutuel Alliance Fédérale scope.

The purpose of Crédit Mutuel Alliance Fédérale's Pillar 3 report is to provide information supplementary to the minimum regulatory requirements concerning capital and risks called for in Pillars 1 and 2 of the Basel Accords, in the form of additional data concerning capital and risks. These supplementsare in line with the guidelines relating to the publication requirements under Section 8 of Regulation (EU) No. 575/2013 of June 26, 2013 and Regulation (EU) No. 2019/876 (CRR2) of May 20, 2019, amending Regulation (EU) No. 575/2013.

Crédit Mutuel Alliance Fédérale, through its Pillar 3, provides relevant, consistent and comparable regulatory information to interested parties. This is done in compliance with the five principles laid down by the Basel Committee: clear, comprehensive, relevant information for users, consistent over time and comparable from one bank to another.

Crédit Mutuel Alliance Fédérale is continuing its prudential momentum by strengthening its capital and its ability to withstand any crisis regardless of its origin: financial, economic, health, etc. This is reflected in the constant strengthening of the risk measurement and monitoring system, as evidenced by the elements presented in this "Pillar 3" section.

In particular, this section includes the disclosures required by IFRS 7 – Financial instrument disclosures on credit risk, Capital Markets and Asset-liability management.

	2021	2022	**2023**
CET1 ratio	18.8%	18.2%	**18.5%**
Leverage ratio	7.6%	6.6%	**7.1%**
LCR ratio[1]	181.3%	153.3%	**162.8%**
NSFR ratio	125.6%	116.1%	**115.1%**
Conglomerate ratio	181%	175%	**171%**

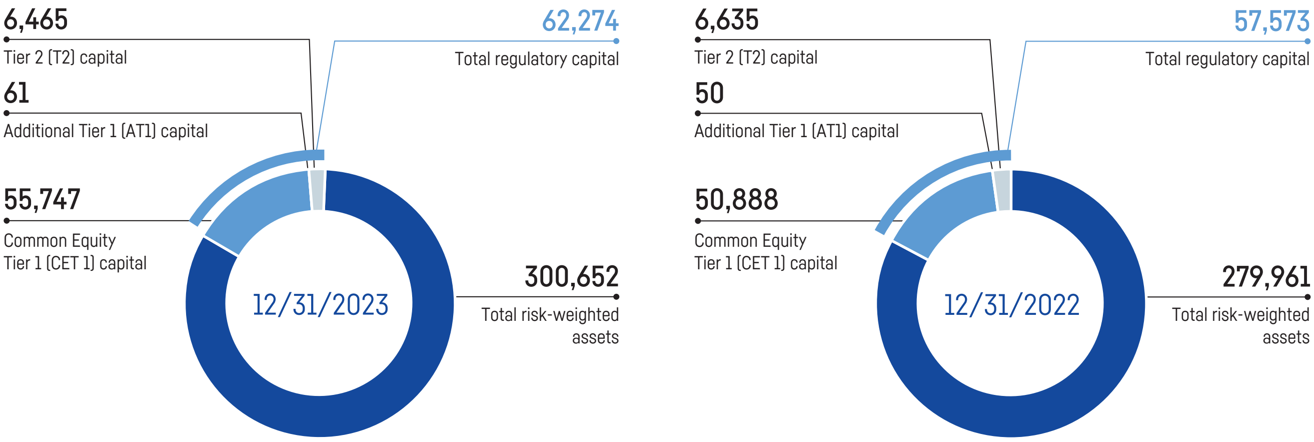
(1) Average LCR.

5.1 KEY FIGURES

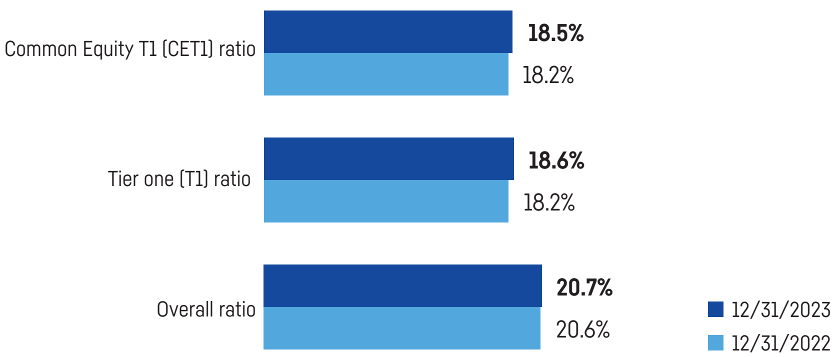
5.1.1 Solvency

Solvency ratio

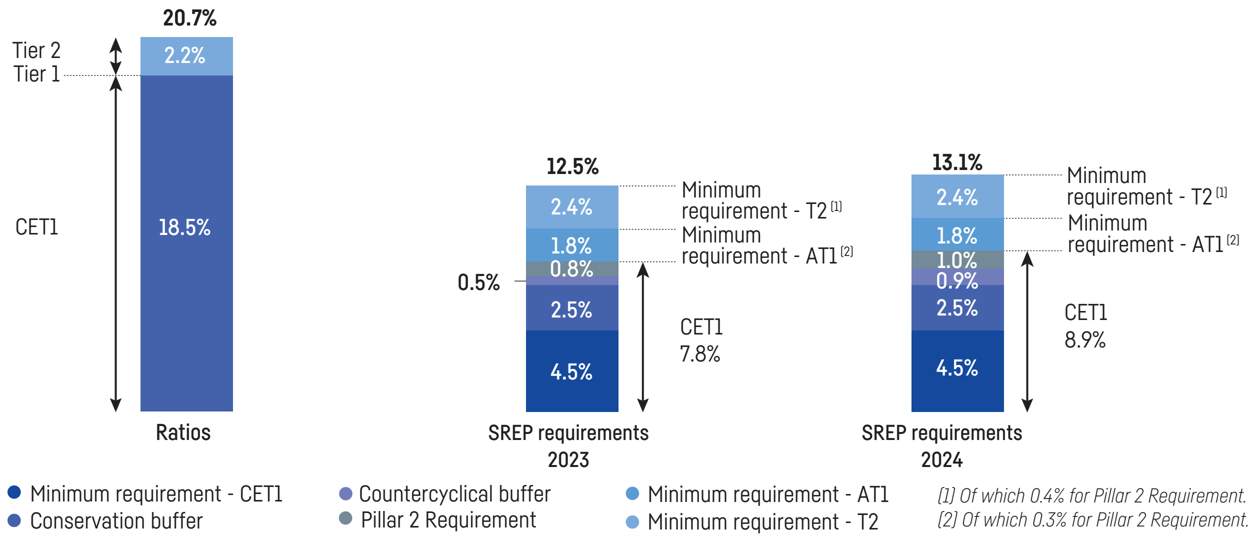
GRAPH 1: REGULATORY CAPITAL AND WEIGHTED RISKS *(IN € MILLIONS)*



GRAPH 2: SOLVENCY RATIOS

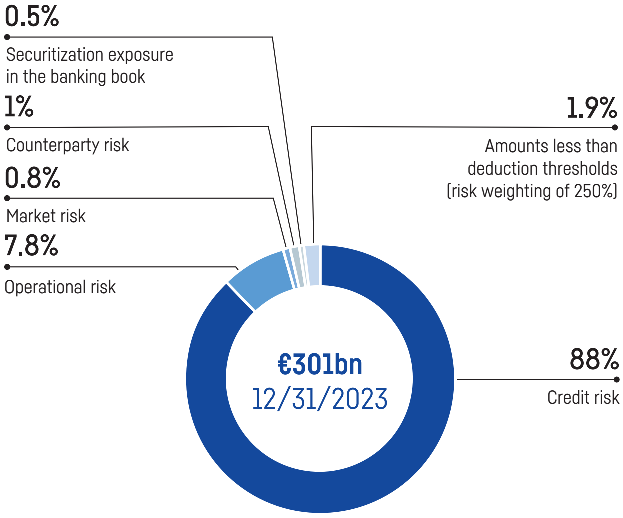


GRAPH 3: REGULATORY REQUIREMENTS AND SOLVENCY RATIOS



According to the HCSF decision of September 26, 2023, France's countercyclical capital buffer will be 1% from April 2, 2024.

GRAPH 4: RISK-WEIGHTED ASSETS (RWA) BY TYPE OF RISK *(PERCENTAGE)*



Credit risk

GRAPH 5: EXPOSURES AT DEFAULT (EAD) BY CATEGORY *(PERCENTAGE)*

Excluding counterparty risk and securitization exposures in the banking book.

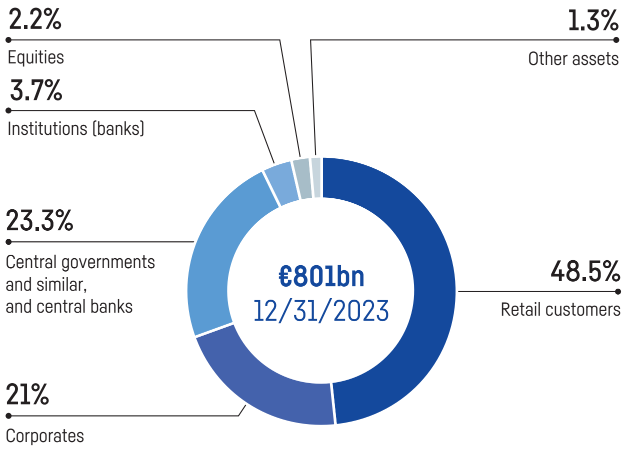


TABLE 1: EXPOSURES AT DEFAULT (EAD) BY GEOGRAPHIC AREA

(in € millions)	12/31/2023	12/31/2022
Europe zone	**745,748**	**734,843**
France	652,312	646,486
Germany	46,488	38,842
Other countries	46,948	49,516
Rest of World	**54,832**	**54,707**
United States	13,113	15,474
Other countries*	41,719	39,233
TOTAL EAD	**800,580**	**789,550**

Excluding counterparty risk and securitization exposures in the banking book.
The Europe zone corresponds to the countries of the European Union.

* FOCUS ON UKRAINE AND RUSSIA

12/31/2023 *(in € millions)*	Ukraine			Russia		
	EAD before substitution	Guarantee received[1]	EAD	EAD before substitution	Guarantee received[1]	EAD
Retail customers	2	0	2	13	0	13
Corporates	0	0	0	0	0	0
Central governments and similar, and central banks	49	46	2	0	0	0
Institutions (banks)	0	0	0	0	0	0
Equities	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
TOTAL EXPOSURES	**50**	**46**	**4**	**13**	**0**	**13**

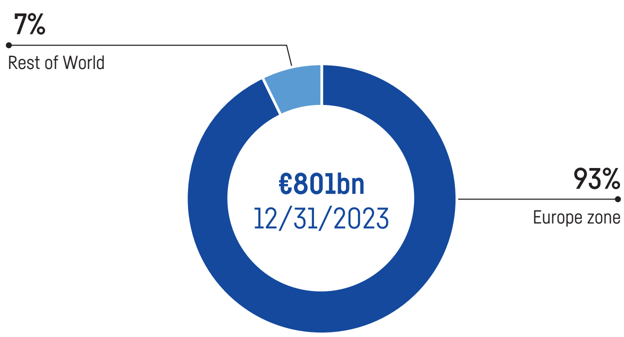
(1) BPI France counter-guarantee.
Exposures to these two countries are not material to the overall exposure of Crédit Mutuel Alliance Fédérale.

12/31/2022 *(in € millions)*	Ukraine			Russia		
	EAD before substitution	Guarantee received[1]	EAD	EAD before substitution	Guarantee received[1]	EAD
Retail customers	4	0	4	17	0	17
Corporates	0	0	0	0	0	0
Central governments and similar, and central banks	69	66	3	0	0	0
Institutions (banks)	0	0	0	4	0	4
Equities	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
TOTAL EXPOSURES	**73**	**66**	**7**	**20**	**0**	**20**

(1) BPI France counter-guarantee.
Exposures to these two countries represent approximately 0.01% of Crédit Mutuel Alliance Fédérale's total exposures.

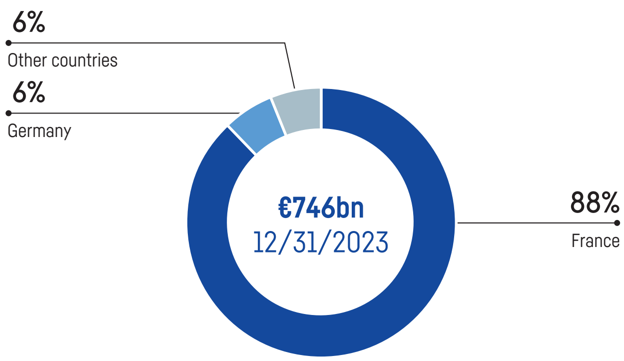
GRAPH 6: EXPOSURES AT DEFAULT (EAD) BY GEOGRAPHIC AREA *(PERCENTAGE)*

Excluding counterparty risk and securitization exposures in the banking book.



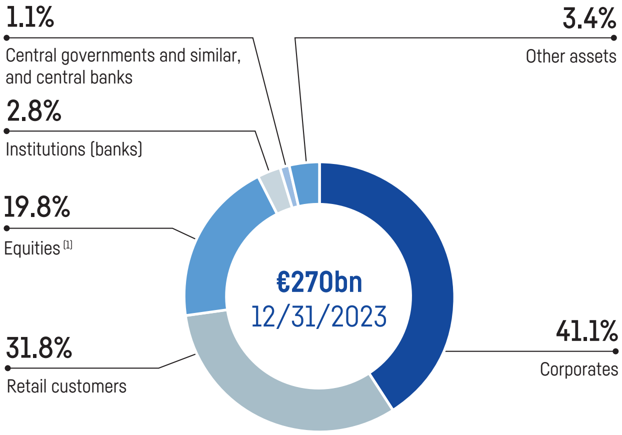
GRAPH 7: EXPOSURES AT DEFAULT (EAD) BY GEOGRAPHIC AREA – EUROPE *(PERCENTAGE)*

Excluding counterparty risk and securitization exposures in the banking book.



GRAPH 8: RISK-WEIGHTED ASSETS (RWA) BY CATEGORY *(PERCENTAGE)*

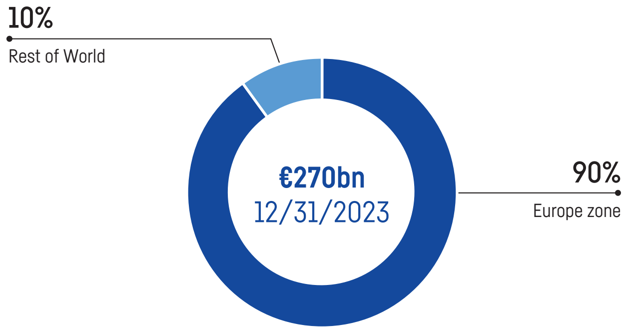
Excluding counterparty risk and securitization exposures in the banking book.



(1) Including participations in Crédit Mutuel's Insurance companies.

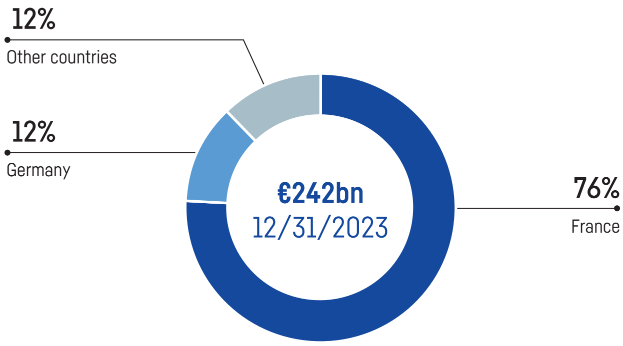
GRAPH 9: RISK-WEIGHTED ASSETS (RWAS) BY GEOGRAPHIC AREA *(PERCENTAGE)*

Excluding counterparty risk and securitization exposures in the banking book.



GRAPH 10: RISK-WEIGHTED ASSETS (RWA) BY GEOGRAPHIC AREA – EUROPE *(PERCENTAGE)*

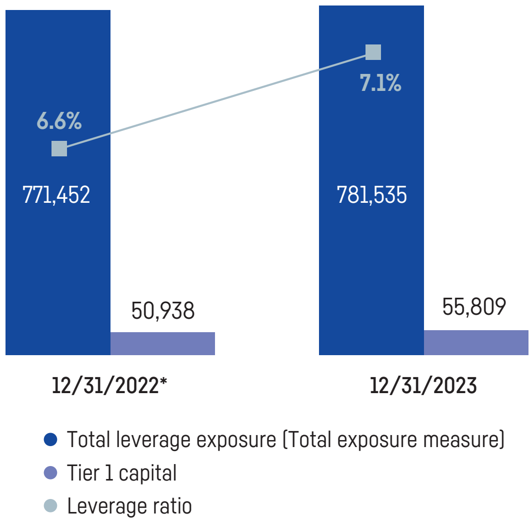
Excluding counterparty risk and securitization exposures in the banking book



Leverage ratio

GRAPH 11: PHASED LEVERAGE RATIOS

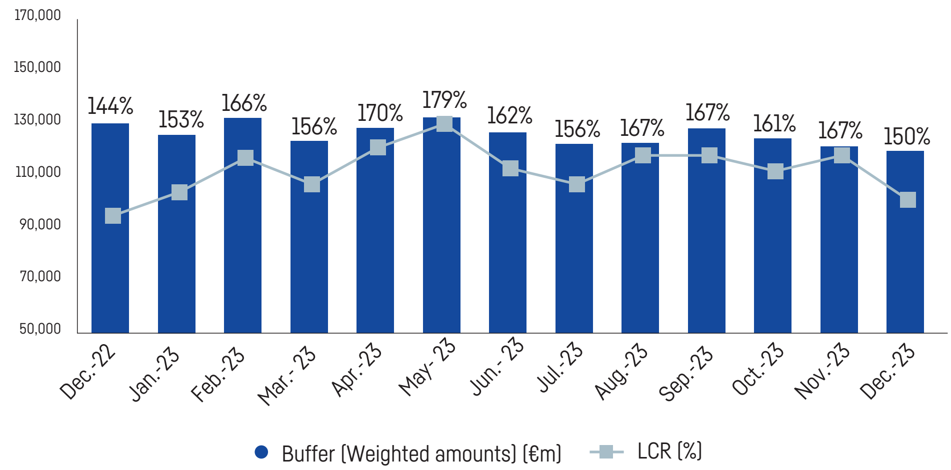
Exposures and shareholders' equity in millions of euros.



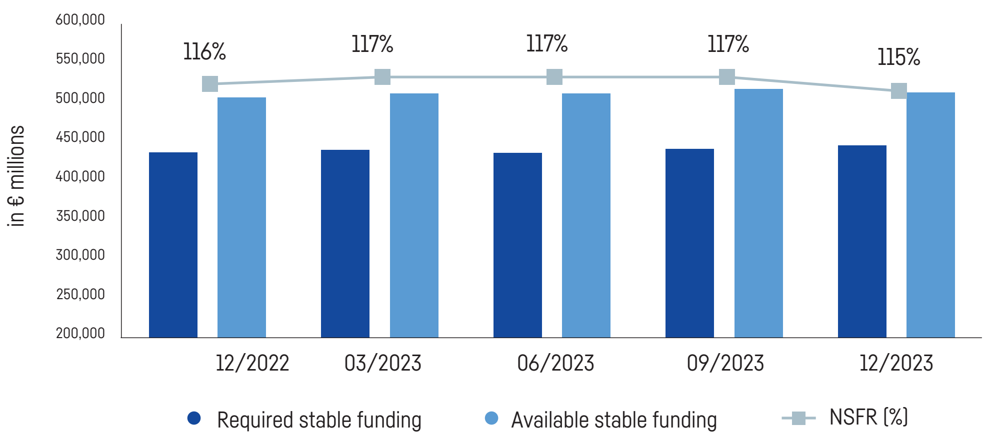
** Includes the temporary exclusion of central bank exposures in view of the COVID-19 epidemic according to Article 429 bis of the CRR2 which ended in June 2022.*

5.1.2 Liquidity

GRAPH 12: CHANGE IN LCR AND LIQUIDITY BUFFER IN 2023



GRAPH 13: CHANGE IN THE NSFR OVER 2023



5.1.3 Key indicators (EU KM1)

TABLE 2: KEY INDICATORS (EU KM1)

(in € millions or as a percentage)	12/31/2023	09/30/2023	06/30/2023	03/31/2023	12/31/2022
AVAILABLE CAPITAL					
1 - Common Equity Tier 1 (CET1) capital	55,747	54,019	54,289	52,436	50,888
2 - Tier 1 capital	55,809	54,072	54,340	52,487	50,938
3 - Total equity	62,274	60,819	61,452	60,106	57,573
RISK-WEIGHTED ASSETS					
4 - Total amount of risk-weighted assets	300,652	298,478	294,236	288,957	279,961
CAPITAL RATIOS (AS A PERCENTAGE OF THE RISK-WEIGHTED EXPOSURE AMOUNT)					
5 - Common Equity Tier 1 capital ratio	18.5%	18.1%	18.5%	18.2%	18.2%
6 - Tier 1 capital ratio	18.6%	18.1%	18.5%	18.2%	18.2%
7 - Total equity ratio	20.7%	20.4%	20.9%	20.8%	20.6%
ADDITIONAL SREP CAPITAL REQUIREMENTS (PILLAR 2 REQUIREMENTS AS A PERCENTAGE OF RISK-WEIGHTED ASSETS)					
EU 7a – Pillar 2 capital requirements	1.5%	1.5%	1.5%	1.5%	1.5%
EU 7b – of which: to be met with CET1 capital	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*
EU 7c – of which: to be met with Tier 1 capital	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
EU 7d – Total SREP capital requirements	9.5%	9.5%	9.5%	9.5%	9.5%
TOTAL BUFFER REQUIREMENT AND TOTAL CAPITAL REQUIREMENT (AS A PERCENTAGE OF THE RISK-WEIGHTED ASSETS)					
8 - Capital conservation buffer	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a – Conservation buffer resulting from the macroprudential or systemic risk observed at the level of a Member State ***(as a %)***	n/a	n/a	n/a	n/a	n/a
9 - Countercyclical capital buffer	0.0%	0.0%	0.0%	0.0%	0.0%
EU 9a – Systemic risk buffer ***(as a %)***	n/a	n/a	n/a	n/a	n/a
10 - Buffer for global systemically important institutions ***(as a %)***	n/a	n/a	n/a	n/a	n/a
EU 10a – Buffer for other systemically important institutions ***(as a %)***	n/a	n/a	n/a	n/a	n/a
11 - Total buffer requirement	3.0%	3.0%	3.0%	2.6%	2.5%
EU 11a – Total capital requirements	12.5%	12.5%	12.5%	12.1%	12.0%
12 - CET1 capital available after compliance with the total SREP capital requirements	6.1%	5.7%	6.0%	6.1%	6.2%
LEVERAGE RATIO					
13 - Total exposure measurement	781,535	788,980	782,862	769,638	771,452
14 - Leverage ratio	7.1%	6.9%	6.9%	6.8%	6.6%
ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF THE MEASUREMENT OF EXPOSURE FOR LEVERAGE PURPOSES)					
EU 14a – Additional capital requirements to address the risk of excessive leverage	n/a	n/a	n/a	n/a	n/a
EU 14b – of which: to be met with CET1 capital (percentage points)	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
EU 14c – Total SREP leverage ratio requirements	3.0%	3.0%	3.0%	3.0%	3.0%
LEVERAGE RATIO BUFFER REQUIREMENT AND TOTAL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF THE MEASUREMENT OF THE EXPOSURE FOR LEVERAGE RATIO PURPOSES)					
EU 14d – Leverage ratio buffer requirement	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e – Total leverage ratio requirement	3.0%	3.0%	3.0%	3.0%	3.0%
LIQUIDITY COVERAGE RATIO (LCR)[1]					
15 - Total liquid assets (HQLA)	125,578	125,100	125,796	128,073	132,770
EU 16a – Cash outflows	99,999	102,313	105,694	107,817	107,926
EU 16b – Cash inflows	22,763	22,748	22,482	21,852	21,035
16 - Total net cash outflows	77,236	79,565	83,212	85,966	86,891
17 - Liquidity coverage ratio (LCR)	162.8%	157.9%	152.1%	149.5%	153.3%
NET STABLE FUNDING RATIO (NSFR)					
18 - Total available stable funding	512,279	516,941	511,461	511,567	505,907
19 - Total required stable funding	445,207	440,386	435,748	439,099	435,899
20 - Net stable funding ratio (NSFR)	115.1%	117.4%	117.4%	116.5%	116.1%

(1) Number of dates used in the calculation of averages: 12.

5

5.2 RISK FACTORS (EU OVA)

Risks related to banking and insurance activities

CREDIT

Credit risk is the risk of a deterioration in the quality of the credit portfolio or its concentration on counterparties, sectors, currencies or countries at risk.

€927bn Gross exposures

91% % of Basel capital requirements

2.8% Rate of non-performing loans

0.23% Cost of customer risk (as a % of gross outstanding customer loans)

INSURANCE

Risk related to insurance activities includes risks to which the group is exposed through its insurance subsidiaries. It mainly includes the risk of deterioration in the value of the life insurance portfolio and the risk of mismatch between the premiums received by the insurer and the claims covered (underwriting risk).

226% SCR coverage ratio (S2 ratio) of GACM

€131bn Overall size of GACM's investment portfolio (excluding unit-linked)

Risks related to the group's activities and macroeconomic conditions

LIQUIDITY

Liquidity risk means the capacity for a bank to find the funds necessary for financing its commitments at a reasonable price at any time.

162.8% Average LCR over the year

108.5% Ratio (loans/deposits)

RATE

Interest-rate risk corresponds to the difference in a bank's income when interest rates go up or down.

Results of sensitivity scenarios for Net Interest Margin (NIM) > Higher sensitivity to the 200 bp rate cut scenario: -20.01%.

Result of the Net Present Value (NPV) sensitivity scenarios > Higher sensitivity to the 200 bp rate hike scenario: -7.77%

MARKET

Market risk corresponds to the risk of loss of value caused by any unfavorable change in market parameters such as interest rates, the prices of securities, exchange rates or commodities prices.

1.0% % of Basel capital requirements

€7.9m Average VaR at 99% over the year

Risks related to the group's regulatory environment

REGULATORY AND PRUDENTIAL ENVIRONMENT

The group is subject to significant banking regulations and supervision, the evolution of which may have a significant impact on its business.

RISK RELATED TO THE IMPLEMENTATION OF A RESOLUTION SYSTEM

In the event of proven or foreseeable default by Confédération Nationale du Crédit Mutuel and all of its affiliates, the resolution authority has the powers to initiate a resolution procedure with regard to the group. The implementation of this mechanism conditions the reimbursement of creditors who may suffer losses.

Risks related to the group's business operations

OPERATING

Operational risk is the risk of loss or gain arising from a mismatch or failure of internal processes, people and systems or external events, including legal risk.

7.8% % of Basel capital requirements

€127.4m Proven claims

INTERRUPTION OF BUSINESS

Business interruption risk corresponds to the risk of unavailability of staff, premises, IT and telecommunication infrastructure or an outsourced critical service provider that could lead to a partial or complete shutdown of the bank's operations.

€0.889m Cost incurred per major event

CLIMATE

Climate risk corresponds to the physical risk resulting from the direct impacts of climate change, in particular the increase in the number and impact of adverse climate and environmental events, as well as the transition risk related to the impacts of the transition to a low-carbon economy.

€26.6bn Exposures eligible for sectoral policies in the Corporate portfolio, of which **0.53%** and **14.5%** of the exposures are eligible for the Coal and Hydrocarbons sectoral policies respectively.

-30.4% Change in the group's direct carbon footprint, France scope, between 2018 and 2022

-58.0% Change in the indirect carbon footprint of the group's corporate financing between 2018 and 2023

GACM: Groupe des Assurances du Crédit Mutuel.
2023 data.

Crédit Mutuel Alliance Fédérale (hereinafter referred to as "the group") includes all entities in the "regulatory perimeter", comprising the Crédit Mutuel banks, the federations and Caisse Fédérale de Crédit Mutuel, and the "BFCM consolidated scope", consisting of Banque Fédérative du Crédit Mutuel and all its subsidiaries.

Crédit Mutuel Alliance Fédérale is exposed to multiple risks associated with its Retail Banking, Insurance, Corporate Banking and Capital Markets, Private Banking and Private Equity. The group has set up a process to identify and measure risks related to its activities which enables it, at least once a year, to prepare the map of its most significant risks. The risk mapping is submitted for approval by the group's Board of Directors.

Below are the main factors that can significantly influence the group's risks. Major risks are addressed first within each category.

5.2.1 Risks related to the group's banking and insurance activities

5.2.1.1 Credit risk

Given its business model, Crédit Mutuel Alliance Fédérale's primary risk is credit risk. Gross exposures on-balance sheet, off-balance sheet, derivatives and repurchase agreements – which are almost exclusively subject to credit risk, represented €927 billion as of December 31, 2023 and mobilized 91% of the group's Pillar 1 capital requirements pursuant to the Basel III regulations.

Details of exposures by type of counterparty are available in Pillar 3 of the 2023 universal registration document, tables 32 "Performing and non-performing exposures and related provisions – EU CR1" and 28 "Credit quality of loans and advances to non-financial corporations by industry – EU CQ5".

Given the structure of Crédit Mutuel Alliance Fédérale's exposures, a stronger-than-expected deterioration in the economic environment could have four types of significant impacts on the group's credit risk exposures:

a. **An increase in defaults due** to the inability of counterparties to meet their contractual obligations, **which would require a significant increase in the provisioning effort in the income statement.** The succession of crises since 2020 (COVID, Russia-Ukraine conflict, energy crisis, climate crisis) has generated massive recourse to debt both to cover business losses (State-guaranteed loans, of which €9.6 billion remained at the end of 2023) and to adapt the production system to the increase in commodity prices and the challenges of climate risk. All of the group's counterparties may be affected. As of December 31, 2023, Crédit Mutuel Alliance Fédérale's rate of non-performing and disputed loans reached 2.84%, up from December 31, 2022 (2.58%). In relation to gross outstanding loans, the cost of customer risk was 0.233% in 2023 compared with 0.163% in 2022 (and 0.154% in 2021). The group has a buffer of provisions on sound or defaulted outstandings of €10.1 billion (€9.6 billion at the end of 2022), which could therefore prove insufficient.

b. **A sharp drop in real estate prices, resulting in a significant decrease in the value of the assets pledged as collateral.** Real estate loans represent 51% of net customer loans, *i.e.* nearly €265 billion at December 31, 2023, mainly in France. The group is exposed to a risk of falling prices, particularly in the context of rising interest rates and inflation in construction costs since the end of the COVID crisis. The value of the assets given as collateral could in this case be largely insufficient to cover the amount of the principal and interest due on the loans in difficulty and require significant additional provisions. While in 2022, the cost of risk on home loans in the network was not significant, it increased to 0.01% in 2023 and reached up to 0.10% of outstanding amounts in previous crises.

c. **The default of one or more of the group's largest customers could degrade its profitability.** Crédit Mutuel Alliance Fédérale has a relatively high unitary exposure to certain States, banking counterparties or large groups, mainly French, some of which have benefited from support measures implemented by public authorities (*i.e.* state guaranteed loans). These counterparties, which mainly borrow at variable rates, could be affected by the increase in interest rates and the deterioration of the economic environment and face repayment difficulties. Among States and similar entities, *i.e.* €181 billion of gross exposure as of end-2023, the group is mainly exposed to France for €147 billion, mainly to the Banque de France (nearly €81 billion), which is a member of the Eurosystem, and to the Caisse des dépôts et consignations (over €46 billion, which is considered to be a sovereign risk in France due to the centralization mechanism for deposits from regulated savings accounts). Other than States, as of December 31, 2023, single on- and off-balance sheet exposures exceeding €300 million, *i.e.* less than 10% of net income, represented €6 billion on banks for six counterparties and €44 billion on companies for 67 counterparties. The probability of several of these counterparties being downgraded or even defaulting simultaneously cannot be ruled out and would affect the profitability of the group.

d. An increase in **risk-weighted assets making up the denominator of the solvency ratio**. Within Crédit Mutuel Alliance Fédérale, 65% of total exposures to credit risk are assigned an internal rating, the quality of which affects the calculation of the credit risk-related capital requirements under Basel III, and therefore the group's solvency ratio. A deterioration in the ratings of all or part of the portfolio, due to a sharp deterioration in the economic situation, could therefore lead to a reduction in the group's solvency ratios.

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5.2.1.2 Risks related to insurance activities

As a bancassurer, Crédit Mutuel Alliance Fédérale is subject to supplementary supervision under Directive 2002/87/EC on the supervision of financial conglomerates, known as FICOD.

Groupe des Assurances du Crédit Mutuel (GACM), the group's insurance subsidiary, distributes its life and non-life products mainly through the group's banking networks to which it pays fees.

Since January 1, 2023, GACM has applied IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments to its financial statements, replacing IFRS 4 and IAS 39. Their implementation results in entails a new presentation of the income statement and balance sheet, with no impact on GACM's business model or solvency ratio (226% at end December 2023).

The weight of insurance activities within the group is likely, in the event of a sharp deterioration, to affect the profitability and solvency of Crédit Mutuel Alliance Fédérale.

The main risks related to insurance activities are as follows:

a. Underwriting risk

Underwriting risk concerns savings, retirement, borrower insurance, protection, non-life insurance and health. Depending on the activity, it may cover various risks:

- life underwriting risks: mortality, surrenders, longevity, catastrophe, expenses, revision and incapacity/disability;
- non-life underwriting risks: undervaluation of claims, catastrophe and surrenders;
- health underwriting risks: incapacity/disability, longevity, medical expenses/hospitalization, surrender, mortality, catastrophe expenses, revision.

The risk concentration is low for GACM, which manages a portfolio mainly composed of individuals.

All of these risks are carefully managed through pricing and provisioning risk management processes, as well as a reinsurance program designed to protect the earnings and solvency of GACM entities by limiting the impact of any underwriting losses on shareholders' equity.

The underwriting risks described above are monitored by entity and by business segment.

The level of claims for each business line is monitored, as are various technical indicators (new business production, churn rate, claims to premium ratio, claims frequency, etc.).

The savings portfolio of GACM's life entities is also regularly monitored, both in terms of the breakdown of its outstandings and of incoming and outgoing flows.

b. Market risk

Market risk is the risk of loss that may result from fluctuations in the prices and yields of the financial instruments making up a portfolio.

Insurance market risks are made up of a variety of risks: falling equity markets, spreads, rising or falling interest rates, liquidity, real estate, inflation, concentration and currency.

This market risk is carefully managed by means of limits and asset dispersion rules. The risk management policy also includes:

- individual control of certain financial risks deemed major (interest rate risk, equity risk, credit risk, etc.);
- an overall risk analysis aimed at protecting the entities against the simultaneous occurrence of several of these risks.

The main market risks weighing on GACM are as follows:

Equity risk

The impairment of shares and similar may impact the financial statements, balance sheet and solvency of the insurance company.

The equity risk is monitored through various indicators, such as equity breakeven points.

Interest rate risk

For life insurance, interest rate risk is an upside risk - the inertia of interest rates can cause the rate paid by the insurer to fall below market levels, leading to surrender situations - or a downside risk - the insurer may no longer be able to pay the guaranteed minimum rates due to falling asset yields.

The high level of the provision for participation in surplus earnings (PPE) reduces exposure to the risk of rising interest rates.

GACM no longer sells euro-denominated guaranteed minimum rate contracts, which contributes to limiting the risk of a drop in interest rates.

Spread risk

Spread risk is the risk of an issuer defaulting on its debt. This risk remains limited thanks to the good diversification of the bond portfolio between public and private issuers, as well as its good credit quality.

Spread risk is managed by limit systems and a set of rules governing the selection of counterparties (or reinsurers).

c. Operational risks

Operational risks are the risks of losses resulting from an inadequacy or failure attributable to:

- non-compliance with internal procedures;
- human factors;
- IT systems failures;
- external events including legal risk.

Operational risks include cybersecurity, data quality, non-compliance and legal risks.

A business continuity policy has been drawn up. It describes the strategy adopted by GACM, as well as the crisis management system put in place in the event of a major incident.

GACM has a business continuity plan (BCP), as well as a disaster recovery plan (DRP) tested by Euro-Information.

Risk mapping makes it possible to identify, assess and measure the risks incurred.

With regard to cybersecurity risk, GACM benefits from the resources of Crédit Mutuel Alliance Fédérale and has implemented governance and risk reduction measures that are ISMS (information security management system) certified.

With regard to data quality, GACM has put in place a stringent policy, defining governance, flow mapping and a dictionary, as well as a control and reporting system.

Lastly, in order to manage the risk of non-compliance, an organization has been set up around the key compliance function, in liaison with Crédit Mutuel Alliance Fédérale's compliance department and with partner subsidiaries, and has a network of correspondents within the business lines.

d. Sustainability risk

Sustainability risk refers to an environmental, social or governance (ESG) event or situation which, if it occurs, could have a material adverse effect, actual or potential, on GACM's performance or reputation.

GACM is exposed to sustainability risk notably through its property & casualty insurance business and its asset portfolio.

The group has a regularly updated ESG policy, enabling it to take into account sustainability risks on its assets as well as the environmental or social impacts of its investments.

In order to limit its exposure to and support for certain activities with a high environmental or social impact, GACM applies ambitious sectoral policies, in line with Crédit Mutuel Alliance Fédérale.

In addition, GACM is committed to reducing the carbon footprint of its investment portfolio by 15% over the 2019-2023 strategic plan period, and by 33% by 2030.

Finally, GACM's shareholder engagement policy sets out how GACM intends to exercise its shareholder rights in the companies in which it invests.

5.2.2 Financial risks related to the group's activities and macroeconomic conditions

Financial risks are those related to the impact of changes in market conditions on liquidity risk, interest rate risk and market risk.

5.2.2.1 Liquidity risk

Liquidity risk means the capacity for a bank to find the funds necessary for financing its commitments at a reasonable price at any time. Thus, a credit institution which is unable to honor its net outflows of cash because of a scarcity of its financial resources in the short-, medium- and long-term has a liquidity risk.

Liquidity risk can occur over different time periods and respond to multiple factors, which requires appropriate and differentiated management. The factors can be internal or external.

The main risk factors associated with liquidity risk are:

a. A sudden and massive outflow of liquidity

The group must be able to deal with sudden and significant liquidity leaks, whether in connection with customers (leakage of deposits, off-balance sheet drawdowns) or Capital Markets (margin calls related to changes in valuation, additional collateral requirement, etc.). In order to cover this risk, the group has a liquidity reserve made up of deposits with central banks, mainly the European Central Bank, securities and available receivables eligible for central bank refinancing. This reserve amounted to €170 billion as of December 31, 2023. This short-term risk is managed using the LCR ratio, whose average level for 2023 is 162.8%, which represents an average surplus of €48.3 billion over the minimum regulatory requirements.

b. An unbalanced change in the commercial gap

As a universal bank, the group is active in both the loan and savings markets. With a loan-to deposit ratio of more than 100%, Crédit Mutuel Alliance Fédérale is structurally a borrower and uses market financing to balance its balance sheet. An increase in the ratio, and therefore an increase in the commercial gap, increases the dependence on external refinancing and consequently the exposure to liquidity risk.

By controlling the loan to deposit ratio, the group limits this risk. The actions taken in 2023 to defend deposits in a context of strong competition enabled the group to maintain the ratio at around its management threshold.

c. The effects of a change in interest rates on the balance sheet structure

Between 2020 and 2022, in a context of accommodating central bank policies and low interest rates, the health crisis had the effect of maintaining current accounts at an exceptionally high level, benefiting the group's liquidity position.

The rapid and massive rise in rates operated by the ECB since July 2022 demonstrated that the bank was exposed to a risk of distortion of its liabilities. The defense of bank deposits was carried out, in particular, by a strong change in the pricing of term deposits, and the arbitration between current accounts and term deposits increased the transformation of the balance sheet into liquidity.

As the main source of balance sheet financing, bank deposits have been closely monitored since the end of 2022 and pricing adjustments according to changes in market rates or their expectations are supported by close monitoring of outstandings.

d. More difficult access to market refinancing

A tense geopolitical context and uncertainty in the financial sector may lead to the closure of the medium-and long-term refinancing market. This was the case in early 2023 with the difficulties experienced by American regional banks or Crédit Suisse. These situations may also result in a widening of spreads and an increase in the relative cost of refinancing.

Finally, with the end of the accommodating policies of central banks, we are witnessing a withdrawal of liquidity from the market, which could constitute an adverse environment for raising resources. This risk of attrition of market refinancing did not materialize, however, and investors took advantage of the rise in interest rates to rebuild their portfolios.

Crédit Mutuel Alliance Fédérale thus completed its entire refinancing program in 2023 and was able to anticipate the 2024 program.

e. Excessive transformation to liquidity

In order to avoid being too sensitive excessive sensitivity to the risks mentioned above, it is necessary to ensure a good match between the maturities of the liabilities and the assets to be refinanced and to limit the transformation of the balance sheet. The Net Stable Funding Ratio (NSFR) secures this balance over a one-year horizon. At December 31, 2023, Crédit Mutuel Alliance Fédérale's NSFR amounted to 115.1% with a stable surplus of resources of €67 billion.

f. A significant deterioration in BFCM's rating

BFCM is the main issuer of Crédit Mutuel Alliance Fédérale, and as such carries the ratings on behalf of the group. BFCM's long-term (Senior Preferred) ratings at December 31, 2023 were AA- stable for Fitch Ratings (confirmed on January 19, 2024), Aa3 stable for Moody's (confirmed on February 1, 2024) and A+ stable for Standard & Poor's. The latter agency rates the Crédit Mutuel group and its major issuers.

A decrease in these credit ratings could have an impact on the refinancing of Crédit Mutuel Alliance Fédérale. Reflecting a lower credit quality, it could be more complicated to raise resources and would squeeze out some investors depending on their investment constraints. The relative cost of refinancing would also be instantly increased and this deterioration could also result in increased collateral requirements in certain activities or bilateral contracts.

g. An unfavorable change in collateral

Many Capital Markets require the mobilization of collateral, either on a permanent basis (guarantee deposits, initial margins) or according to changes in valuations. An unfavorable change in the markets, a downgrade in the rating (see above), or a tightening of the constraints imposed by certain market participants may lead to an increase in the liquidity mobilized, either temporarily or permanently.

The collateral constituting the liquidity reserve and eligible at the central bank may be affected by changes in the implementation of monetary policy: increase in discounts, end of eligibility of certain assets. The year 2023 saw the end of the eligibility of residential loans (ACC-resid), which resulted in a decrease in the reserve as well as the full restoration of the level of discounts before the health crisis.

5.2.2.2 Interest rate risk

Interest rate risk is defined as the difference in the profit/(loss) of a bank when interest rates vary upwards or downwards. As the value of an institution is directly related to its earnings, changes in interest rates also mean changes in its asset value with an impact on the balance of on- and off-balance-sheet items. This risk is measured on the banking book and excludes the trading book.

The main risk factors associated with interest rate risks are:

a. A conversion rate that is too high

Crédit Mutuel Alliance Fédérale's business with its clients generates a risk of an increase in interest rates through the granting of long-term fixed-rate loans that cannot be offset by the client's resources.

The net present value (or "NPV") sensitivity of Crédit Mutuel Alliance Fédérale's balance sheet, determined according to six regulatory scenarios, is below the 15% threshold for Common Equity Tier 1 capital. Crédit Mutuel Alliance Fédérale is sensitive to increases in the entire 200 bp yield curve, with an NPV sensitivity of -7.77% relative to Common Equity Tier 1 capital as of December 31, 2023. The sensitivity of net interest income at one and two years is determined according to several scenarios (increase and decrease of rates by 100 bp, increase and decrease of interest rates by 200 bp with a floor) and two stress scenarios (flattening/ inversion of the yield curve and a stagnation/inflation shock in short and long rates). The "decrease of 200 bp with a floor" scenario is the most unfavorable for Crédit Mutuel Alliance Fédérale with an impact of -20.01% over two years, *i.e.* -€1,703 million as of December 31, 2023.

b. A sharp rise in interest rates

A sharp rise in interest rates such as that experienced in Europe throughout 2023 highlighted the risk of an uneven spread of interest rate movements in the bank's balance sheet. On the loan side, only production passes on the increase in interest rates, while early repayments on transactions in stock decrease. In terms of deposits, products such as passbook accounts have been revalued across the entire stock and interest on term deposits is becoming more attractive; there is a massive arbitration from low-interest or non-interest-bearing deposits to more attractive vehicles. This results in a tightening of the net interest margin while the overall structure of rates is balanced in this new context.

c. Barriers to the diffusion of market rates: administered rates and usury rates

In addition to the risk of changes in market rates mentioned in the previous two points, there another factor that slows the distribution of market rates to the customer sector. On the loan side, the constraints related to usury rates and the frequency of discounting have created a distortion between the market and customer pricing, weighing on loan production.

As for deposits, it should be noted that negative rates were not generally applied to customer conditions, which benefited from a de facto floor of 0. In addition, although its formula refers to market indeces, the passbook rate also depends on the level of inflation and the final decision lies with the Ministry of Finance.

While the latest decision on the passbook rate seems rather favorable for banks' margins with a rate set until February 1, 2025, the previous period illustrated the risk related to the decorrelation of administered rates with market rates, with a decrease in loan rates greater than that observed on deposits (including the floor at 0 on current accounts).

5.2.2.3 Market risks

This is the risk of loss of value caused by any unfavorable change in market parameters such as interest rates, the prices of securities, exchange rates or commodities prices. Market risk concerns activities of several business lines of the bank, including the Capital Markets of CIC Marchés subsidiary, the asset-liability management activity and the asset management business of the group's management companies. The impact of market risk on insurance activities is described in the "Risks related to insurance activities" Section 5.2.1.2 above.

The potential impact of market risk on the ALM business is described above. The risk involving asset management is due to the fact that the fees received by this business line vary with the valuation of the funds under management, which is set by markets.

The group's Capital Markets are subject to several types of risk:

a. **A worsening of economic prospects** would negatively affect the financial markets which are supposed to reflect the health of issuers of the capital and debt securities that are traded in them. The valuation of transferable securities would decline, the volatility of valuations would increase and liquidity could be reduced in certain markets. A long period of fluctuation, in particular a fall in asset prices, could expose the activities of CIC Marchés to a risk of significant losses, particularly when faced with difficulties in selling positions in a context of declining market liquidity.

   The volatility of financial markets may have an unfavorable effect and lead to corrections on risky assets and generate losses for the group. In particular, an increase in volatility levels could make it difficult or costly for the group to hedge certain positions.

   The investment business line would suffer from adverse financial market conditions to the extent that this business line particularly in anticipation of an improving economytakes a position on increasing stock market valuations and on a better rating quality of debt issuers.

   The results of the commercial business line would also be negatively impacted by poor market conditions. Fees from the brokerage business would drop in proportion to the decline in transaction valuations. Similarly, the number of transactions on the primary market (initial public offers, capital increases and debt issues) would drop, which would translate directly into less fees.

   If funds managed on behalf of third parties within Crédit Mutuel Alliance Fédérale were to perform below those of market competitors, customer withdrawals could increase, which would affect the revenues of this activity.

b. The fight against persistent core inflation continued in 2023, prompting many central banks to continue tightening their monetary policies. Thus, the European Central Bank carried out successive increases of its deposit rate, which rose from 0% to 4% between July 2022 and September 2023, reaching its highest level since 2008.

   On the other side of the Atlantic, after eleven consecutive rate increases, the Federal Reserve left its key rate unchanged since July 2023 at 5.5%, with a view to better assessing the impact of previous increases in order to obtain further confirmation of a potential disinflationary trend.

   Against this backdrop, CIC Marchés ended the fiscal year with net revenue of +€457 million and income before tax of +€192 million compared to, respectively, +€345 million and +€126 million a year earlier.

   The market risk to which CIC Marchés division is exposed is weak. The capital allocated to CIC Marchés is €620 million, which represents 1% of Crédit Mutuel Alliance Fédérale's overall regulatory capital (€62.3 billion at December 31, 2023). As part of the annual validation of the appetite framework, this amount is increased to €660 million for the 2024 fiscal year.

   As of December 31, 2023, this amount had been used in the amount of €441 million.

   During the 2023 fiscal year, the historical VaR (one-day, 99%) of the trading book amounted to €7.9 million on average for the group.

   The Group Treasury business line also has a total capital of €175 million for the 2023 fiscal year (changed to €140 million for 2024). Lastly, Crédit Mutuel Alliance Fédérale has a total capital of €200 million (increased to €245 million for 2024) for all other proprietary trading activities, mainly including UCIs in the context of support operations for the development of certain group subsidiaries.

5.2.3 Risks related to the group's regulatory environment

5.2.3.1 Risks related to the regulatory and prudential environment

Crédit Mutuel Alliance Fédérale's regulatory environment is described in the dedicated Section 2.1.2 Regulatory environment of Chapter 2.

The events of 2023 have reminded us of the fundamental need for a regulatory framework, and illustrate the materialization of risks linked to the vulnerabilities of certain players in a high-interest rate environment. In a context of geopolitical tensions (twelfth round of sanctions against Russia) and increased cyber risk, the outlook for 2024 is uncertain. The rise of artificial intelligence is also leading to a profound change, which will probably become part of a European prudential framework, involving significant investments in technology and digital infrastructure.

In terms of **credit risk**, in a context of high inflation, although slowing at the end of 2023, and driven by the normalization of monetary policies, the rise in interest rates in the Eurozone remains the main factor influencing credit risk in 2023. Under these conditions, the criteria for granting credit were significantly tightened in 2023, and the real estate sector (commercial and residential) is subject to increased supervision in order to avoid any economic and financial risk. Lastly, the group is attentive to consumer protection, the rules of which have been modified following the publication of the directive on credit agreements concerning consumers.

With regard to **market risks**, the market tensions that have arisen in recent months show that localized vulnerabilities can quickly have widespread repercussions on financial asset prices, their liquidity and their volatility. The group is attentive to the specific reporting requirements concerning market risks, as part of the reinforcement of the European Banking Authority (EBA) assessment methodology. Several prudential updates will also have consequences on market risks, including the revision of the regulatory and prudential framework for securitization, the revision of the benchmark regulation concerning the rules relating to benchmark indices and the revision of the EMIR regulation (EMIR 3 under discussion), in particular with regard to the resilience of the EU clearing system, with the aim of reducing exposure to third-country CCPs.

Solvency risk was impacted by the finalization of the implementation of Basel III and its ongoing regulatory transposition in Europe, as well as the review of Solvency II. As specified in the risk factor related to credit risk, a large majority of the group's exposures are approved by the supervisor for calculation using the internal risk weighting model. The implementation of Basel III will adversely impact the calculation of risk-weighted assets and therefore the group's solvency ratio; the impact will depend on the exact methods for transposing this regulation into national and European law.

The publication of the results of the prudential control and assessment process (SREP) by the ECB at the end of December 2023 shows solid solvency and liquidity positions.

Regulations applicable to **IT and data risks** are growing in a context of increased operational dependence on IT systems, services provided by third parties and innovative technologies, and of cyber threats, which have increased in a context of strong geopolitical tensions. The group is organizing itself and is gradually bringing itself into compliance with the new requirements set by the new NIS2 Directive, which will come into force in the second half of 2024, and the DORA regulation, applicable in early 2025, which create a regulatory framework on operational digital resilience. With regard to the regulation of digital assets, the group also complies with the Markets in Crypto-Assets (MiCA) regulation to track the transfers of crypto-assets and ensure better protection of customers. The Basel Committee also approved a prudential standard on banks' exposure to crypto assets. The Data Act, applicable in September 2025, also requires the group to optimize the accessibility of its data.

Risks on payment methods are also monitored as part of the group's compliance with the regulation on instant payments in euros, adopted in early 2024 and future provisions relating to payment services, aiming to increase the level of competition in the European payments market and improve the competitiveness of Open Banking services [1].

With regard to **climate risks**, the assessment and monitoring of transition risks and the physical risks associated with climate change are continuing, in line with the ECB's 2023-2024 supervision priorities and the requirements of the European Commission. The group also complies with the stress tests conducted by the European Insurance and Occupational Pensions Authority as well as the 2023-2024 stress test conducted by the three agencies mandated by the European Commission, which assesses the resilience of the financial sector in the medium term, in line with the transition risk implied by the fit-for-55 package. The CSRD directive on sustainability reporting, effective in 2024 for large companies, will also have consequences in terms of non-financial performance reporting. The group is working to comply with the communication obligations related to the taxonomy criteria from 2024.

Risks of non-compliance are also closely monitored, in order to implement, within the stipulated deadlines, the measures taken in terms of customer protection and the stricter rules aimed at strengthening the fight against money laundering and the financing of terrorism (sixth directive on the fight against money laundering). With regard to **insurance risks**, the group has undertaken several projects aimed at meeting the new standards imposed by management on financial conglomerates, implementing IFRS 17 and anticipating the consequences of the overhaul of the Solvency II Directive applicable to insurance companies and the implementation of the requirements of the insurance distribution directive.

Finally, **resolution risks** are monitored in the context of compliance with the operational guidelines of the Single Resolution Board (SRB) on liquidity, aimed at improving bank resolvability and strengthening the framework for managing bank crises and deposit insurance (crisis management and deposit insurance - CMDI)

5.2.3.2 Risks related to the implementation of a resolution system

The regulations give the resolution authority the power to open insolvency proceedings for the Crédit Mutuel group if, after applying the measures referred to in Article L.511-31, CNCM, the central body of the group and all its affiliates, is failing, or is likely to fail, with the objective of ensuring critical function continuity, avoiding risks of contagion, recapitalizing or restoring the institution's viability. These powers must be implemented in such a way so that losses, subject to certain exceptions, are borne first by the impairment or conversion of capital instruments, then by holders of Additional Tier 1 and Tier 2 capital instruments, holders or subordinated receivables other than those referred to as Additional Tier 1 or Tier 2 capital instruments in paragraph 5 of Article L.613-30-3 of the French Monetary and Financial Code, then by holders of senior non-preferred bonds and finally by holders of senior preferred bonds in accordance with the priority order of their claims.

The resolution authority has extensive powers to implement the resolution tools for the issuer, or the Crédit Mutuel group, which may include the total or partial transfer of business to a third party or to a bridge institution, the hive-off of the institution's assets, the suspension of the listing or admission to trading of debt instruments, the total or partial impairment of regulatory capital instruments, the dilution of regulatory capital instruments through the issuance of new equity securities, the total or partial impairment or conversion of debt instruments into equity securities, the modification of the terms of debt instruments (including the modification of the maturity and/or the amount of interest payable and/or the temporary suspension of payments), the suspension of the listing and admission to trading of financial instruments, the dismissal of executives or the appointment of a special director.

The issuer is covered by the Crédit Mutuel group's internal financial solidarity mechanism. Repayment, in full, of creditors' loans is subject to the risk of the implementation of said financial solidarity mechanism.

Where the emergency plan or the solidarity measures taken are not sufficient to facilitate the recovery of the central body's affiliates, including the issuer, or if objective evidence suggests in advance that the implementation of such a contingency plan or measures that may be taken by CNCM would prove insufficient to restore compliance with prudential requirements, the resolution of the Crédit Mutuel group will be determined on a collective basis. In fact, the implementation of the solidarity mechanism is accompanied by the merger of Crédit Mutuel group affiliates.

(1) Sharing of data collected by banking institutions on their customers with other companies.

During periods of proven financial difficulty, *i.e.* when the European Central Bank alerts the Single Resolution Board of the risk of failure ("Failing Or Likely To Fail," or FOLTF principle), of the Crédit Mutuel group determined on a consolidated basis, where the Single Resolution Board declares the Crédit Mutuel group FOLTF, on a consolidated basis, in accordance with Article 18.1 of Regulation (EU) 806/2014, known as the SRMR or, as provided for in the national solidarity mechanism, when the emergency plan or the measures taken by CNCM within the context of this mechanism are not sufficient to facilitate the recovery of a failing group, or if objective evidence suggests in advance that the implementation of any such emergency plan or measures that may be taken by the Confédération would prove insufficient to restore compliance with prudential requirements, CNCM, at the request of the supervisory or resolution authorities, as appropriate, is fully authorized to fulfill the objectives and principles followed by these authorities in relation to solidarity.

During periods of proven financial difficulty or during the resolution phase, there is unlimited solidarity between CNCM affiliates.

The implementation of these means and powers with regard to the issuer, or the Crédit Mutuel group, may give rise to significant structural modifications.

Should CNCM be required to merge all its affiliates, creditors could find themselves competing with creditors of the same ranking, of other CNCM affiliates. After the transfer of a portion of its activities, the creditors (even without any impairment or conversion of their loans) would hold loans in an institution whose remaining businesses or assets may be insufficient to satisfy the claims held by all or some of its creditors.

If CNCM has not merged all its affiliates upon commencement of resolution, the resolution authority may consider other resolution strategies (transfer of business, bridge institution, separation of assets, or coordinated "bail-in" of all CNCM affiliates). Should the resolution authority apply a coordinated "bail-in", the liquidity of CNCM affiliates and all capital instruments and eligible liabilities may be used to help offset losses and recapitalize CNCM affiliates. In this event, value reduction measures or the conversion of eligible liabilities would follow the ranking of creditors in a judicial liquidation. The "bail-in" would be based on capital requirements at consolidated level but would be applied on a *pro rata* basis by entity, *i.e.* the same impairment or conversion rate will be applied to all shareholders and creditors of the same class, regardless of the issuing legal entity within the network.

Exercising the powers described above may result in losses for investors.

5.2.4 Risks related to the group's business operations

5.2.4.1 Strategic and business risk

At the beginning of 2024, Crédit Mutuel Alliance Fédérale announced its strategic plan for 2027, Togetherness, Performance, Solidarity. This includes financial targets related to revenues, expenses and profitability. These objectives were decided as internal objectives; they are based on assumptions, particularly in relation to the economic and commercial context. These objectives should not be considered as earnings forecasts. The group is likely to deviate from these objectives, particularly in the event of the occurrence of one or more of the risk factors defined in this section. For example, the strategic plan sets a target cost/income ratio of 54% in 2027. However, while the level of the latter depends in part on the group's ability to innovate and carry out actions consistent with the defined objective, it also depends on factors external to the group, such as changes in inflation, impacting that of general operating expenses, or the economic context, impacting the group's ability to increase its net revenue. Failure to achieve the objectives defined in the 2024-2027 strategic plan could significantly affect Crédit Mutuel Alliance Fédérale's results and financial position.

5.2.4.2 Operational risks

In accordance with point 52, Article 4 of Regulation (EU) No. 575/2013, operational risk is defined as the risk of loss or gain resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. The Order of November 3, 2014 states that operational risk includes risks from events with a low probability of occurrence but a high impact, risks of internal and external fraud as defined in Article 324 of Regulation (EU) No. 575/2013 cited above, and model risks.

The Order of November 3, 2014 describes model risk as the risk of the potential loss an institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models.

Operational risk, thus defined, excludes strategic and reputational risks (image).

The main risk factors associated with operational risks are:

c. **Internal and external fraud** organized by people inside and outside the group in order to misappropriate funds or data. External fraud represents the greater risks for the group, notably fraud involving means of payment.

d. **Legal risks** to which the group is exposed and which could have an adverse effect on its financial situation and its profit/loss.

e. **Shortcomings or delays by the group in the** full **compliance** of its activities with the rules related to financial or banking activities, whether they are of a legislative or regulatory nature, professional and ethical standards, instructions or ethics in professional behavior. The adoption by different countries of multiple and sometimes divergent legal or regulatory requirements exacerbates this risk.

f. **Any failure of, or attack against, the group's IT systems**, which could lead to lost earnings, losses and sporadically weaken the customer protection system.

In 2023, €1.9 billion of equity are allocated to cover the losses generated by this risk, (stable amount compared to September 30), when capital requirements amounted to €24.1 billion, of which 7.8% will be allocated to operational risks. The main risks of potential claims are (i) external and internal fraud and (ii) business interruption and system malfunction.

Crédit Mutuel Alliance Fédérale’s overall proven claims, excluding any insurance recoveries, where applicable, represented about 0.79% of the group’s net revenue in 2023, *i.e.* €127.4 million.

The risks with the greatest impact on the proven claims ratio in 2023 were: (i) fraud, (ii) execution, delivery and process management, (iii) the policy for customers, products and commercial practices.

Fraud accounted for 48% of Crédit Mutuel Alliance Fédérale's proven claims (of which 44% for external fraud) and 40% of potential claims (the portion relative to capital requirements for operational risks).

5.2.4.3 Business interruption risk

As part of its operational risk management program, Crédit Mutuel Alliance Fédérale has implemented Emergency and Business Continuity Plans (EBCPs) which provide protection actions and which limit the severity of an emergency. In line with the regulations in force (Order of November 3, 2014, amended by the Order of February 25, 2021), an EBCP can be defined as the description of the actions to be carried out to ensure the continuity of the business processes considered essential and the resources just necessary to be implemented in the event of a disaster resulting in the unavailability or serious disruption of human resources, premises, IT and telecommunications and CIF (Critical or Important Functions (Providers of outsourced essential services and critical functions within the meaning of the Single Resolution Board)).

The unavailabilities above may lead to a partial or total suspensionof Crédit Mutuel Alliance Fédérale’s activity, resulting in a decline in its earnings depending on the extent of the shutdown. Similarly, the inability of customers to have access to the services offered by Crédit Mutuel Alliance Fédérale would be detrimental to its financial position. Such circumstances would give rise to direct costs, and beyond this, necessarily entail adjustments to the arrangements for continuation of activity, with resulting additional costs.

The highlights of 2023 were as follows:

- in the context of the Russia-Ukraine conflict, the risk of a cyberattack that could threat all or part of Crédit Mutuel Alliance Fédérale’s activitiescontinued to be monitored and reinforced by dedicated teams. No partial or complete shutdown of activity has been recorded in any area;
- as part of the pension reform, during the riots at the end of June, and following storms at the end of the year and more specifically the CIARAN storm, the interruption of activity was mainly concentrated on the branch networks and banks with numerous demonstrations throughout France and localized flooding mainly in the north of France. These led to significant damage, including the closure of certain branches, and required the launch of crisis management plans adapted to each situation. In total, the cost of these major events is estimated at €889 thousand.

5.2.4.4 Climate risks

The risks associated with climate change represent additional consequences of existing risks, such as credit risk, operational risk and financial (market and liquidity) risks. These may also be associated with reputational or liability risks. Climate change exposes Crédit Mutuel Alliance Fédérale to:

- physical risk, referring to the financial impacts caused by climate change (including the increase in extreme weather events and gradual changes in climate) and environmental degradation (such as air, water and soil pollution, water stress, biodiversity loss and deforestation);
- transition risk, referring to the financial losses that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon and more environmentally sustainable economy. It may arise, for example, from the relatively sudden adoption of climate and environmental policies, technological progress or changes in market behavior and preferences.

a. **Crédit Mutuel Alliance Fédérale’s business model could be impacted by physical risks resulting in particular in:**

   - direct physical consequences (damage/destruction of assets, deterioration of working conditions) and indirect consequences (damage/destruction of infrastructure, disruption of production chains, etc.) for the counterparties, generating economic impacts (repair costs, drop in productivity, production, income, etc.) and therefore a loss of added value and/or wealth, a risk of an increase in their probability of default and bankruptcy, increasing credit risk, including for individuals, in particular in connection with to a depreciation of the real estate collateral;
   - an increase in claims on the group’s infrastructures and/or employees, increasing operational risks;

- reversals in market expectations (sudden revaluations due to high sensitivity of securities, increased volatility, capital losses), accentuating market risk;
- an increase in claims and associated insurance compensation (decrease in profitability for the insurer), an increase in the cost of reinsurance as well as indirect impacts on the company's asset portfolios, increasing the risk related to insurance activities.

b. Crédit Mutuel Alliance Fédérale's business model could be impacted by transition risks resulting in:

- the need to adapt models and products, the change in customer and investor feelings towards companies, the disruption of the production chain, the modification of the production conditions of the offer, generating losses of market share, a decrease in financing capacities, a change in the prices of inputs and production tools, a decrease in production, a change in demand for finished products or services and therefore an increase in costs, a decrease in revenues and added value for companies that could result in an increase in the probability of default and weigh on the risk of corporate default;
- impacts on the real estate sector (increase in the carbon tax leading to an increase in the cost of energy, implementation of new standards concerning low-energy efficient buildings requiring renovation work, etc.) that may lead to an increase in the probability default by creditors and weighing on the risk of default of individuals (depreciation of collateral);
- a liability risk in the event of a serious dispute with the client financed by the bank or the non-compliance with a commitment, as well as a risk of damage to reputation (also linked to a growing awareness of climate risks, new regulations and voluntary commitments made by the bank);
- the loss of customers if they consider that Crédit Mutuel Alliance Fédérale is not taking sufficient action on environmental/climate policies;
- devaluations of assets that are not low-carbon compatible, which would then make the assets obsolete (stranded assets), changes in borrowing costs and a sudden revaluation of financial assets;
- an increase in liquidity risk related to:
  - the deterioration in the quality of customer loan portfolios (this deterioration could in the long term negatively impact profitability and financial strength and, ultimately, affect the ability to refinance under good conditions);
  - investor pressure on investment portfolios;
  - the impairment of corporate or government debt securities held (and not complying with certain climate-related commitments);
  - the withdrawal of customer deposits (in the event of an unfavorable image);
- a loss of income from insurers due to a depreciation of financial securities held;
- risks weighing on solvency (increase in risk-weighted assets) and operating profitability (decrease in the net interest margin).

As part of its new 2024-2027 strategic plan, Togetherness Performance Solidarity, Crédit Mutuel Alliance Fédérale aims to become the benchmark bank for the ecological and societal transition. The deployment of this ambition to our customers and the management of ESG risks are therefore some of the success factors to achieve the commitments and strategic objectives set. The implementation of an adapted system will require the continuation of the changes initiated in the processes, the development of proprietary IT tools and the enhancement of dedicated monitoring indicators based on internal and external quality data.

The enhancement of ESG risk monitoring will continue during delete next strategic plan period, relying, in particular, on Crédit Mutuel Alliance Fédérale's risk management system, described in Chapter 5. 3 of the Pillar 3 report. If the group fails to achieve the defined objectives, its reputation could be adversely affected.

Crédit Mutuel Alliance Fédérale's sectoral policies make it possible to define a scope of intervention and to set criteria for conducting business in areas where the social, governance and environmental impacts, including climate risks, are the most significant. Monitoring of exposures eligible for sectoral policies, for all corporate, investment and insurance portfolios, provides an initial measurement of the exposures potentially most affected by climate risks. Crédit Mutuel Alliance Fédérale has seven sectoral policies: Coal, Mining, Hydrocarbons, Civil nuclear energy, Defense and Security, Mobility in the air, Maritime and Road sectors, Agricultural. The sectoral policy relating to residential real estate (assets located in France) was validated in December 2023 and will come into force in April 2024. Crédit Mutuel Alliance Fédérale's direct carbon footprint in France related to the group's energy consumption, refrigerants, vehicle fleet and business travel increased by 1% in 2023 compared to 2022 (after a decrease of 30.4% between 2018 and 2022), and the indirect carbon footprint of corporate portfolio financing measured in tonnes of CO_2 per million euros loaned decreased by 58% between 2018 and 2023 (-55% between 2018 and 2022), a figure higher than the objective set by Crédit Mutuel Alliance Fédérale in its strategic plan *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!)" (target of -15%). More information concerning the non-financial performance and climate commitments of Crédit Mutuel Alliance Fédérale and CIC is available in Crédit Mutuel Alliance Fédérale universal registration document in Chapter 3 Social and Mutualist Responsibility.

5.3 RISK MANAGEMENT (EU OVA & EU OVB)

5.3.1 Risk profile

Crédit Mutuel Alliance Fédérale is a mutual bank, not listed for trading, and owned wholly by its members. It is not on the list of Global Systemically Important Financial Institutions (G-SIFIs) [1] as of December 31, 2023. Only the Crédit Mutuel group is listed by the ACPR among the Other Systemically Important Institutions (O-SII) [2] in accordance with Article L.511-41-1 A of the French Monetary and Financial Code.

The Crédit Mutuel Alliance Fédérale's strategy is based on long-term values which promote controlled, sustainable and profitable growth. Retail banking is its core business, as demonstrated by the share of credit risk (91% as of December 31, 2023) in its total capital requirements and the importance of the retail book in its total exposures. Crédit Mutuel Alliance Fédérale operates predominantly in France and in neighboring European countries (Germany, Belgium, Luxembourg and Switzerland).

The group's approach to risk management is designed around its risk profile, its strategy and the appropriate risk management systems.

5.3.2 Risk appetite

Crédit Mutuel Alliance Fédérale's risk appetite framework stems from the group's desire to adopt a general framework expressing its fundamental principles with regards to the risks stemming from its mutualist identity and its choice of retail bancassurance.

In summary, the aim of Crédit Mutuel Alliance Fédérale's risk tolerance policy is to:

- give Executive Management and the Board of Directors an acceptable level of confidence and comfort as regards the understanding and full management of the risks in line with the achievement of the group's objectives;
- be implemented at all levels within the group so as to provide a comprehensive view and enable best practice to be harmonized;
- identify the potential events likely to affect the group and its risk management.

The risk appetite framework provides a coherent framework in which the group's various businesses can develop in accordance with Crédit Mutuel's values. It is intended to promote a strong and proactive culture regarding risk management. It is based on a medium- and long-term view and incorporated into our decision-making processes.

The application of the principles of Crédit Mutuel Alliance Fédérale's risk appetite framework is monitored and overseen by the group risk department, the permanent control and compliance department for the second line of defense and by the general inspection for the third line of defense.

The risk appetite framework policy is taken into account when setting the strategic, financial and marketing objectives to benefit Crédit Mutuel Alliance Fédérale's members and customers.

The risk appetite framework follows from the strategic guidelines set by Executive Management and the Board of Directors. It enables the group to:

- conduct business activities for which it is confident that the risks are adequately understood, controlled and managed;
- aim to achieve a level of profitability within a specified timescale which would not be detrimental to sound risk management;
- present the entities' risk profiles with regard to earnings, capital allocation and financing requirements generated;
- identify risks in advance and manage them proactively, always adhering to the company's prudential profile.

Crédit Mutuel Alliance Fédérale has based its risk policy on three main pillars:

- the ICAAP (Internal Capital Adequacy Assessment Process): the conclusion of the risk analysis is that the level of capital is sufficient to cover the risk exposure. The ICAAP report, prepared using the Confédération Nationale du Crédit Mutuel (CNCM) methodology, and the three-year economic capital and capital adequacy ratio projections, are updated annually and presented to the Group Risk Committee (CRG) and the Group Risk Monitoring Committee (GRMC);
- the ILAAP (Internal Liquidity Adequacy Assessment Process): Crédit Mutuel Alliance Fédérale's liquidity risk tolerance policy is very prudent in order to ensure the sustainable refinancing of its activities. Its monitoring is carried out by the control committees, monitoring committees and technical committees. In order to identify, measure, manage and control liquidity risk, while meeting the needs of entities and business lines, asset-liability management (ALM) and Group Treasury have set up management indicators with limits and alert thresholds. Regulatory and internal stress scenarios make it possible to regularly check the robustness of the operational system;
- a comprehensive limits process: several limits systems cover the majority of activities and all risks, *i.e.* limits on the following risks: solvency, profitability, interest rate, credit, liquidity, market, operating, IT, non-compliance, climate and environmental.

(1) The indicators resulting from QISs dedicated to their identification are published in the group's corporate site in a document entitled "Indicateurs de systémicité" (Systemicity Indicators).

(2) The list of O-SII is published on the ACPR site.

5.3.3 Risk governance

5.3.3.1 Risk monitoring system

5.3.3.1.1 Risk management function

The risk department of Crédit Mutuel Alliance Fédérale covers the activities of all of its entities, networks, business lines and French and foreign subsidiaries and branches, with the exception of non-financial activities (press, domotics, etc.). It is responsible for the Risk Management function, as defined in the Order of November 3, 2014 amended by the Order of February 25, 2021, concerning the internal control of banking institutions, at the central level of Crédit Mutuel Alliance Fédérale for every organizational unit.

It works closely with the risk officers appointed in each entity of Crédit Mutuel Alliance Fédérale, pursuant to the procedure defining the role of risk officers. It is also in constant contact with the risk department of the Confédération Nationale du Crédit Mutuel (CNCM). This link is reflected in the full consistency of the activities of the Risk department of Crédit Mutuel Alliance Fédérale with the operating framework of the Risk management function defined and validated at CNCM level in 2023.

The risk department is independent of the line managers and is tasked with detecting, measuring and monitoring risks throughout Crédit Mutuel Alliance Fédérale and with reporting to executive governance and supervisory bodies, in particular Executive Management and the Board of Directors. It forms an integral part of the internal control and risk management system of Crédit Mutuel Alliance Fédérale and relies on the work of the teams from the permanent control and compliance departments, with whom it forms the risk, permanent control and compliance department (DRCC).

More specifically, the missions and objectives of the risk department are to:

Detect

- Assess the activities, operations, results, level and quality of the exposures of Crédit Mutuel Alliance Fédérale and its different components, in order to detect major risks and emerging risks, taken individually and globally.
- Collect and process the risk data concerning all of the activities of Crédit Mutuel Alliance Fédérale in France and abroad.
- Have data collection tools with the level of granularity to measure and analyze the risks of Crédit Mutuel Alliance Fédérale.
- Put in place the information collection and receipt channels required in order to detect Crédit Mutuel Alliance Fédérale's risks, including from stakeholders outside the risk department or even outside the group.
- Identify and analyze emerging risks in respect of the structural or economic contexts of the activities, counterparties, sectors or geographic areas concerned.
- Ensure the good quality of the data produced and disseminated, and the implementation of the regulatory BCBS 239 principles regarding risk data management, aggregation and reporting by defining and deployment of a data quality management framework.

Measure

- Map all the risks to which Crédit Mutuel Alliance Fédérale is exposed, on the basis of the group's activities and the various risks laid down in the regulations, by coupling this with a system for measuring and assessing the probability and seriousness of risks.
- Produce, in coordination with the risk department of CNCM, a risk map assessing the materiality of each group risk, covering the relevant scope.
- Set up a system to measure risks and track indicators for each category of risks (credit, liquidity, interest rate, market, solvency, operational, non-compliance, IT, Insurance, climate, etc.), in line with the risk appetite of Crédit Mutuel Alliance Fédérale.
- Establish a detection system involving a warning (alert threshold and limit) in the event of a breach of the risk appetite of Crédit Mutuel Alliance Fédérale or one of its entities, and define an associated escalation procedure.

Monitor and control

- Track the activities of Crédit Mutuel Alliance Fédérale involving risk-taking and risk exposures, in relation to the group's risk appetite, the risk limits defined and the ensuing capital or liquidity requirements.
- Monitor Crédit Mutuel Alliance Fédérale's risk appetite and ensure that any overruns of limits are managed in accordance with the escalation procedures in force, including by monitoring the effectiveness of any corrective measures decided to reduce an overrun.
- Ensure that identified risks are effectively monitored, measured and controlled by the operational units and that the risk mitigation measures are properly implemented.
- Ensure that Crédit Mutuel Alliance Fédérale's business is carried out in compliance with the regulations in force in terms of risk management. Where applicable, recommend the necessary changes and monitoring to comply with regulations.

Report and alert

- Produce a risk dashboard at least every three months focused on analyzing the risks that Crédit Mutuel Alliance Fédérale and its different components are exposed to.
- Steer and coordinate the Risk Committees within executive governance (Group Risk Committee) and supervisory (Group Risk Monitoring Committee) bodies.
- Prepare support material, notes and analyses of major or emerging risks for executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors.
- Notify the executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors, of all significant risks of which they need to be informed across all Crédit Mutuel Alliance Fédérale entities.

- Alert the executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors, in the event of malfunctions noted in the context of its risk monitoring mission, in particular when an alert threshold or appetite limit is exceeded or when a major risk or exceptional disaster is identified.
- Advise the executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors, on the measures to be considered to further manage or reduce the risks of Crédit Mutuel Alliance Fédérale, in line with the group's risk appetite and strategy.
- Take action as often as necessary to guide decisions that may generate significant risks, particularly during the development of a new activity or strategic change, or even call into question decisions that generate excessive risk-taking and that do not comply with the risk appetite defined by Crédit Mutuel Alliance Fédérale.
- Where appropriate, report any risks deemed highly significant to the Board of Directors of CNCM and ultimately to the supervisory authorities.

Governance

- Prepare, update at least annually and implement, subject to the Board of Directors' scrutiny and approval, the risk governance framework and management policy of Crédit Mutuel Alliance Fédérale, in particular the risk appetite underpinning the group's indicators and risk limits.
- Steer, in conjunction with the CNCM risk department, the annual procedures making up the Supervisory Review and Evaluation Process (SREP) conducted by the ECB, including the risk appetite framework, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP).
- Draft the various regulatory reports on risks, in particular the risk sections of the annual internal control report (RACI), the risk factors and the Pillar 3 report of the group's universal registration document (URD).
- Manage, in coordination with CNCM's risk department, the operational risk management system, and implement the crisis management system and the appropriate Emergency and Business Continuity Plans (EBCP) for the business activities involved.
- Steer, in coordination with CNCM's risk department, the Crédit Mutuel group's Prevention and Recovery Plan (PRP) and the work concerning the group's resolution in response to the Single Resolution Board (SRB).
- Ensure, alongside with the human resources (HR) department and the related governance bodies, that Crédit Mutuel Alliance Fédérale's compensation policy complies with applicable regulations – in particular with regard to the management of compensation for employees known as "risk takers."
- Coordinate the network of risk correspondents responsible, within the various Crédit Mutuel Alliance Fédérale entities and structures, for measuring, monitoring and controlling risks.
- Ensure, together with the network of risk correspondents, the dissemination of the risk culture throughout Crédit Mutuel Alliance Fédérale, in particular *via* awareness-raising and training on risk topics, as well as the drafting and sharing of best practices in this area.
- Ensure that the risk department has sufficient resources, tools and staff to carry out all of the missions described in the charter. If necessary, issue an alert to the executive governance and supervisory bodies.

Moreover, Executive Management has also tasked the risk department with:

- Handling all relations with supervisory authorities (ECB, ACPR, AMF, BDF, etc.) in France and abroad and coordinating the monitoring of audits, supervisory interviews, questionnaires and specific requests as well as the implementation and fulfillment of the recommendations issued.
- Ensuring an economic and prudential watch over all issues relating to the regulatory environment pertaining to banking and insurance as well as benchmarks concerning the group's positioning in relation to its main competitors' ranking, changes in strategy and results.
- Performing analyses and internal ratings of banks in OECD countries, Covered, Insurance Companies and Local Authorities.
- Defining and implementing Crédit Mutuel Alliance Fédérale's Social and Mutualist Responsibility (SMR) policy, in particular *via* the development of sectoral policies, the drafting of the Non-Financial Performance Statement (NFPS) and the various work on Environmental, Social and Governance (ESG) issues.

5.3.3.1.2 Management of the system

Group Risk Monitoring Committee (GRMC)

The GRMC is composed of directors representing all the Crédit Mutuel federations that belong to Caisse Fédérale de Crédit Mutuel. In addition to the appointed members, the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, the Chief Financial Officer of Crédit Mutuel Alliance Fédérale and the head of the Risk Management function take part on a permanent basis. In agreement with the Chief Executive Officer, the Committee may obtain information from any other Crédit Mutuel Alliance Fédérale employees likely to assist it in the performance of its duties. The Committee, within the limits of its responsibilities, may be assisted by one or more non-voting members and/or advisors, internal or external to the group, and have access to market research.

The GRMC is a specialized committee of the Board of Directors. It assists the supervisory body and issues recommendations aimed at preparing the decisions of the Board of Directors concerning the general risk policy and the risk management thresholds and limits for all entities of Crédit Mutuel Alliance Fédérale. It examines the risks and supervises the work of the risk department and Group Risk Committee (GRC) based on the files and dashboards prepared and presented by the Chief Risk Officer. The Chief Risk Officer prepares the documents, files and performance indicators submitted to the committee for review and leads the meetings. The members of the GRMC have all the sources of information and documentation that they need from the bank auditors, internal and external control staff, the statutory auditors and the finance and risk departments.

The members of the GRMC, assisted by the risk department, report to their respective deliberative bodies on the information and decisions resulting from their meetings. A report detailing the main monitored risk indicators is presented and discussed at each meeting. The summaries of the Risk Committee meetings are sent to the secretaries of the Boards of Directors.

The GRMC met eight times in 2023 (January 11, February 1, March 31, June 28, July 21, September 27, November 17 and December 18). Minutes and summaries of these meetings were prepared and submitted to the governing bodies of the various federations.

Group Risk Committee (GRC)

It is chaired by the Chief Executive Officer of Crédit Mutuel Alliance Fédérale and is made up of the group's main senior executives and business managers. The GRC helps the executive body to examine the risks associated with all banking and non-banking activities of Crédit Mutuel Alliance Fédérale's consolidated scope.

It issues opinions and recommendations to assist the executive body on the general policy of Crédit Mutuel Alliance Fédérale and its risk management thresholds and limits. It examines the risks to which the group is exposed based on the files and dashboards prepared and presented by the risk department and subsequently examined by the GRMC. This independent oversight is based on standardized, periodic reports (risk dashboard) providing exhaustive information on credit risks, market risks, operational risks, interest rate risks, liquidity risks, non-compliance risks, IT risks, risks related to Social and Mutualist Responsibility and risks related to the group's specialized business lines (insurance, consumer credit, private banking, factoring, etc.).

The GRC met four times in 2023 (March 23, June 26, September 19 and December 13).

5.3.3.2 Risk management and oversight

5.3.3.2.1 Risk management

Credit risk management is organized into two structures: one focusing on the granting of loans and the other on risk measurement and the monitoring of exposures.

A set of commitment guidelines summarizes the internal procedures of the lending arm of Crédit Mutuel Alliance Fédérale in accordance with applicable statutory, organizational and regulatory provisions. In particular, it describes the credit granting system. It contains appendices relating to Capital Markets and the subsidiaries directly concerned.

A set of guidelines for the measurement and monitoring of credit risk summarizes all internal management rules and practices for the proper management of credit risk within the framework of the regulatory, accounting, statutory and organizational requirements applicable within Crédit Mutuel Alliance Fédérale. It particularly describes the procedures for credit risk measurement and monitoring, the management of at-risk items, reporting and communications.

The management of liquidity and interest rate risks of the group's banks is centralized at BFCM level. Hedges are allocated to the entities concerned, in accordance with their needs. They are no longer authorized to make hedging decisions individually.

Overall measurement of market risk is based on the regulatory framework. Capital Markets are monitored in accordance with procedures that are formally recorded and independent in terms of organization and control.

The management of operational risk is performed and controlled in accordance with group procedures, coordinated by dedicated units. In particular, the security of the information systems and the putting in place of business continuity plans form part of the work carried out in this area.

The risk management of the subsidiaries, Crédit Mutuel Alliance Fédérale's business lines, relies on a network of local risk officers within each entity, including internationally. The role of risk officers is to ensure the appropriate risk management for their entity and to disseminate Crédit Mutuel Alliance Fédérale's risk culture to the business units. They report to their management and the risk department as soon as possible on any risks that meet the significance criterion of their entity or that they deem significant in relation to the activities within their scope.

5.3.3.2.2 Risk monitoring

This is carried out by dedicated, independent teams, which have at their disposal tools designed on the one hand to provide a comprehensive aggregate overview of commitments, and on the other, to carry out ongoing monitoring of risk, in particular by means of an advance detection system for anomalies and monitoring of adherence to limits as well as changes in internal ratings.

Information for assessing trends in credit, markets, ALM and operational risks is provided regularly to the management bodies and other responsible persons concerned. The risk department is responsible for the general management of the regulatory capital consumed by each activity by reference to the risks incurred and the return obtained.

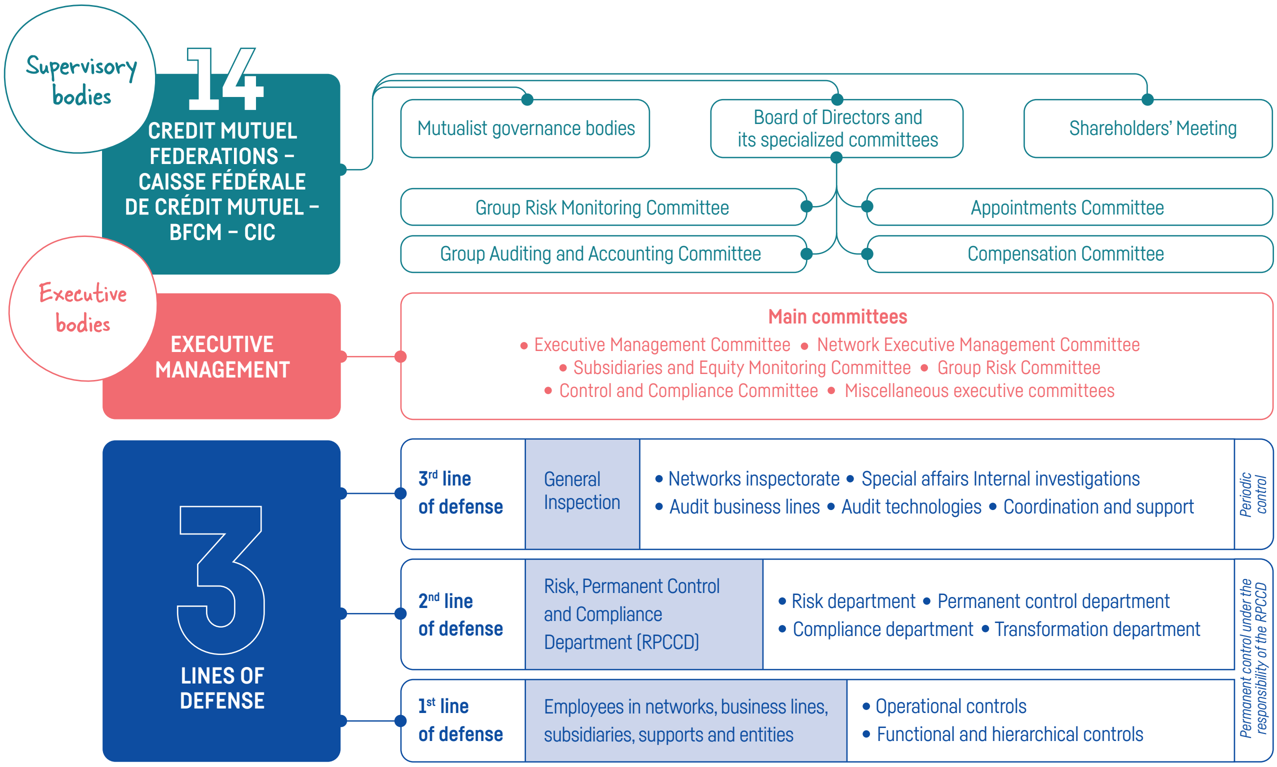
In this context, it has various regulatory tools used to identify, monitor, control and report on risks: in particular, risk mapping, the risk appetite framework and the system for monitoring alert thresholds and associated limits, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), as well as the preventive recovery plan.

5.3.4 Internal control system

5.3.4.1 General framework

Internal control and risk management are fully integrated into the group's organization with the aim of ensuring compliance with regulatory requirements, proper risk control and operational security, as well as improved performance.

GROUP'S INTERNAL CONTROL AND RISK MONITORING SYSTEM



5.3.4.1.1 Regulatory framework

The principles of internal control and risk monitoring and their application methods are governed by various legislative and regulatory provisions, both French and European, supplemented by international professional standards.

In this respect, the main regulatory text applicable to Crédit Mutuel Alliance Fédérale's internal control system is the ministerial Order of November 3, 2014 (amended by the Order of February 25, 2021). This order defines the conditions for the implementation and monitoring of internal control in credit institutions and investment companies and transposes into French regulations the requirements of the European Directive 2013/36/EU dated July 26, 2013 known as the "CRD4 Directive."

5.3.4.1.2 A shared system

In accordance with the provisions of the above-mentioned order, the group ensures that its internal control system is adapted to its size and operations.

In the same way, it ensures that it is suited to the size of the risks incurred by its activities and that the employees involved in internal control can carry out their work to meet regulatory requirements.

Within the group, the principles governing internal control are reflected in the guidelines issued by Executive Management and rolled out using shared methods and tools that ensure the development of quality standards.

The internal control system is designed in particular to:

- fully cover the full range of the group's banking and insurance operations;
- list, identify, aggregate and track risks on a consolidated basis in a consistent manner;
- communicate clear and reliable information (particularly accounting and financial information), both internally and externally;

- ensure compliance with applicable laws and regulations, internal standards, and instructions and guidelines established by Executive Management;
- ensure the proper operation of internal processes and the safeguarding of assets.

More broadly, the processes in place are aimed at helping to ensure proper control of activities while at the same time improving the effectiveness of processes and organizations.

5.3.4.1.3 A structured system

One of the key purposes of the organization is to ensure the quality and integrity of the internal control system. Both for itself and the businesses it controls, the group ensures that this system is underpinned by a set of procedures and operational limits that match regulatory requirements and applicable internal and professional standards. To ensure the high quality of its internal control system, the group steers a policy of ongoing improvement, which is also designed to adapt it to regulatory developments.

The identification and control of key risks by means of benchmarks, mapping of controls and monitoring of risks using appropriate limits, formal procedures and dedicated tools are constant objectives for the group's internal control and risk management departments. Analytical tools and tracking dashboards make it possible to perform regular reviews of the various risks to which the group is exposed, including counterparty, market, asset-liability management and operational risks. In accordance with regulatory requirements, a report on internal control and on risk measurement and monitoring is prepared each year based on the framework recommended by the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority) and results from the detailed review of the systems.

5.3.4.1.4 An integrated and independent system

In line with the group's values, the control system put in place is designed to develop a prudent and top-quality risk management culture throughout the group.

Within this framework, the first level of risk management and control is performed by the operational managers, who are responsible for the processes they carry out. As the first level of control, operational management is an integral part of the system with responsibility for preventing risk as well as for putting in place the corrective measures designed to correct and prevent the dysfunctions identified.

The group's entities also have a second level of control, identified within dedicated teams. To ensure the necessary independence of these second-level controls, employees assigned to control tasks have no operational responsibilities and report to the central staff departments, which thereby ensures their independent judgment and assessment.

The central staff departments are responsible for defining, overseeing and coordinating all the local and cross-group systems. They organize and supervise the control work. In addition, they use their expertise and independence to help define standard controls.

5.3.4.2 Organization of the system

The process has a threefold objective:

- to separate the periodic, permanent and compliance controls into distinct functions in accordance with regulatory requirements;
- to standardize internal control work throughout the group by creating an organization based on standardized methods and tools, and on the same principles of complementarity, subsidiarity and independence of controls;
- to have an overall and cross-functional view of risks of all kinds to ensure reliable, regular and comprehensive reporting to Executive Management and to the deliberative body.

5.3.4.2.1 Organization of controls

In accordance with the Order of November 3, 2014 (amended by the Order of February 25, 2021), the system has three functions:

- Periodic control;
- Permanent control;
- Compliance.

The latter two functions, which are brought together under a single department (risk, permanent control and compliance department), are subject to control by the former.

The consistency of the overall system is ensured by the Control and Compliance Committee (CCC), chaired by an effective manager. This Committee itself reports to the Group Auditing and Accounting Committee (GAAC), representing the supervisory bodies of Crédit Mutuel Alliance Fédérale.

To perform their functions, the control departments have permanent and unrestricted access to individuals, premises, hardware, software and information of any kind useful to the performance of their work throughout the group.

Breakdown by type of control

Independently of the controls performed by management teams as part of their operating activities, controls are performed by:

- periodic control staff, for audit-based assignments, carried out under an intervention plan over several fiscal years;
- permanent control staff, for all work of a recurring nature using mainly remote applications;
- compliance staff, in particular for the application of regulations and internal and professional standards, including those designed to combat money laundering and financing of terrorism.

The periodic control department is responsible for supervising the overall quality of the internal control system, the effectiveness of risk monitoring and management as well as the sound application of permanent and compliance controls.

Breakdown by business line

The control functions are structured by business line, with teams dedicated to the control of Retail Banking and other teams dedicated to the control of specialized business lines (corporate banking, Capital Markets, asset management, financial services, cash management, etc.), with managers appointed for both at the Crédit Mutuel Alliance Fédérale level.

A common support unit for the various kinds of control

The periodic control, permanent control and compliance functions are assisted by a common support unit which is responsible for:

- developing the tools and keeping them up to date and in good working order;
- developing the reporting tools required for monitoring control operations and assignments, and centralizing information for the management bodies, at the central and local (regional and subsidiary) levels;
- ensuring that control tools are complementary between the various functions so as to provide optimal cover of group risks.

5.3.4.2.2 Management of the system

Group Control and Compliance Committee

The Control and Compliance Committee (CCC) issues opinions, assists and advises the executive body on all matters related to the internal control system comprising the inspectorate and internal audit, permanent control, compliance assurance and risk management functions (in connection with the work of the Group Risk Committee for the latter).

Chaired by the Chief Executive Officer, the Control and Compliance Committee holds regular meetings with the staff responsible for periodic, permanent and compliance controls and risk management, with the following objectives:

- approving the internal audit plans, and any subsequent adjustments to them, and examining the results of the assignments carried out and the critical recommendations issued by the general inspection of Crédit Mutuel Alliance Fédérale and Confédération Nationale du Crédit Mutuel;
- reviewing the summaries of the permanent control and compliance works as well as the recommendations and proposed corrective actions;
- analyzing the summary of relations with supervisors, in particular the results of inspections and interviews conducted by the supervisory authorities;
- alerting the executive body of any major failure identified during an internal or external audit, proposing the implementation of corrective measures and ensuring the effective deployment of actions validated by the committee or the executive body;
- monitoring the implementation and closure of recommendations made during internal and external audits;
- ensuring that the actions and missions of the various internal control players complement each other in order to ensure efficiency and overall risk coverage. This complementarity must be implemented through efficient detection, control, monitoring and reporting tools;
- ensuring the adequacy of the internal control system with the regulatory provisions in force, the risk areas identified in the risk mapping and the risk appetite system, as well as with Crédit Mutuel Alliance Fédérale's strategy;
- ensuring the adequacy of the resources and means of the various internal control functions with regard to their missions;
- adopting the changes governing the organization and missions of the internal control functions represented on this committee as well as the associated framework documents;
- validating any new procedure governing the internal control system as well as any major changes made to existing procedures;
- deciding on any action or measure aimed at strengthening the internal control system, in particular seeking external advice;
- more generally, taking note of all the topics put on the agenda by its members in connection with its missions.

The CCC reports on its work to the Group Auditing and Accounting Committee (GAAC).

The Control and Compliance Committee met four times in 2023 (March 7, June 5, September 8 and December 14).

Group Auditing and Accounting Committee

In order to meet regulatory requirements and rules of governance, Crédit Mutuel Alliance Fédérale has an Auditing and Accounting Committee. It is composed of voluntary and independent directors from the mutualist base of the group. Several of its members have particular skills in accounting and finance. Executive Management, the heads of the control departments and the finance department attend meetings. Training seminars help members to keep up to date with new developments.

This committee:

- reviews the internal audit plan;
- is informed of the conclusions of inspections carried out by the periodic control function and of the results of the permanent and compliance controls;
- takes due note of the conclusions of external controls, particularly of any recommendations made by the supervisory authorities;
- is informed of actions carried out to give effect to the main recommendations issued in internal and external control reports;
- assesses the effectiveness of the internal control systems;
- receives up-to-date information on the group's risk position;
- proposes to the various deliberative bodies such improvements as it deems necessary in view of the findings of which it has been made aware.

With regard to the financial statements and financial information, the Committee:

- is responsible for monitoring the process for preparing financial information;
- examines the annual and consolidated financial statements;
- assesses the manner in which they have been drawn up and satisfies itself as to the appropriateness and consistency of the accounting policies and principles applied;
- participates in the selection of statutory auditors;
- supervises the statutory audit of the accounts.

The Group Auditing and Accounting Committee implements a process of self-assessment of its activities, aimed at improving its operations based on past experiences. The last self-assessment was carried out in November 2023.

The Group Auditing and Accounting Committee met five times in 2023 (February 2, March 27, July 26, September 29 and December 7). These meetings were the subject of minutes intended for the deliberative bodies of the different federations.

It also examined the annual financial statements for the year ended December 31, 2023 in its meeting of February 5, 2024 and had no major observations to make.

Compensation Committee

In accordance with Articles L.511-89, 102 and 103 of the French Monetary and Financial Code and 104 of the internal control order, Crédit Mutuel Alliance Fédérale has set up a single Compensation Committee, the scope of which extends to all its subsidiaries. It gives its opinions on the proposals made by the Executive Management after consulting the risk, permanent control and compliance department and reviews and approves the compensation policy on an annual basis. This committee also verifies that the principles defined by the deliberative body have been effectively implemented. The Compensation Committee reports regularly on its work to the group's Executive Management.

Group Ethics and Compliance Committee

Created within the scope of consolidation of Crédit Mutuel Alliance Fédérale, this committee has been instrumental in establishing a code of conduct for the group. Each year it draws up a report on the group's implementation of and compliance with ethical principles and the code of conduct.

5.3.4.3 Methods and tools

5.3.4.3.1 Tools

The harmonization of methods and tools for controlling risks was continued. Common tools were developed, which include functionalities dedicated to management.

Periodic control applications

Control assignments are carried out using risk mapping and operational management tools, on the basis of common reference systems of control points that are regularly updated. The information required to carry out controls is accessible by consulting the information system applications and decision-making tools.

Software is used to monitor the implementation of recommendations issued in their audits by the group's various periodic control departments and the supervisory authorities.

Permanent control applications

Permanent controls are performed remotely, essentially by using data from the information system. They supplement the first-level controls which are performed daily by the managers of the operational entities (in particular the managers in the networks of Crédit Mutuel branches and banks) and by regional coordination, support and control functions. They are implemented in the "internal control portals," which structure and plan the various work to be done concerning risk coverage.

The automated detection of cases that trigger a "risk alert" according to predetermined malfunction criteria are an essential element in the proper control of credit risk. Other types of controls make it possible to assess the quality of all types of processing. The analysis of the results obtained, carried out during the control reviews ("supervision") also aims to allocate resources or direct the control missions accordingly.

Compliance applications

Work continued on the implementation of systems for legal and regulatory surveillance and monitoring of compliance risk. The compliance function has its own control areas within the "internal control portals" allowing it to check that regulatory requirements are being applied, in particular with regard to business and professional ethics, protecting customers' interests, performing investment services and combating money laundering and the financing of terrorism.

5.3.4.3.2 Procedures

"Framework procedures" have been defined at the level of the group's central control functions in a number of areas. They are posted on the group's intranet and are accessible to all employees on a permanent basis. The control applications refer to them and links have been created to facilitate consultation and use.

5.3.4.4 Accounting data and means of control at the group level

The Finance division of Crédit Mutuel Alliance Fédérale is in charge of running the general accounts of the group's main credit institutions and, in this respect, carries out accounting checks.

The preparation of the group's consolidated financial statements and financial communication is also the responsibility of the finance department, which submits them to the Group Auditing and Accounting Committee, then presents them to the deliberative bodies.

5.3.4.4.1 Control of the annual financial statements

The accounting system

The accounting architecture

This is based on an IT platform shared throughout 16 Crédit Mutuel federations and CIC's regional banks, which includes accounting and regulatory functions, in particular for:

- the chart of accounts, the structure of which is identical for all institutions of the same type managed through this platform;
- defining the automated templates and procedures shared by all the banks (means of payment, deposits and credits, day-to-day transactions, etc.);
- reporting tools (RUBA, consolidation software input, etc.) and monitoring tools (management control).

The administration of the common accounting information system is entrusted to the "Accounting Procedures and Systems" division.

In this context, the administration of the common accounting information system is entrusted to the Finance Project Management division within the Finance division of Crédit Mutuel Alliance Fédérale. The Finance Project Management division is more specifically responsible for:

- managing the shared chart of accounts (creating accounts, defining the characteristics of the accounts, etc.);
- defining the common accounting procedures and systems, in compliance with tax and regulatory requirements. To this end, when necessary, the Accounting and Taxation division is consulted and the implementation of the schemes is subject to a validation procedure involving various operational managers.

The Finance Project Management division is hierarchically and operationally independent of the accounting production teams themselves, thus allowing a separation between the accounting architecture design and administration functions and the other operational teams.

Within Crédit Mutuel Alliance Fédérale, all accounts must be dedicated to an operational team that is in charge of their operation and control. The organization and procedures in place make it possible to comply with Article 85 of the Order of November 3, 2014 and to guarantee the existence of the audit trail.

Chart of accounts

This is divided into two broad sections: third-party captions, showing payables and receivables for individual third parties, and the general accounting captions.

Dedicated accounts are used for third party deposits and loans, enabling them to be monitored. For custody of negotiable securities, a “stock” accounting system distinguishes between securities owned by third parties and those owned by the bank.

The chart of accounts of all credit institutions managed on the common IT platform has a single nomenclature (NPCI plan - New Internal Chart of Accounts) and is managed by the Finance Project Management division.

The chart of accounts defines the following account properties:

- regulatory characteristics (link to the chart of accounts of credit institutions associated with the prudential regulatory statements – PCEC, link to the publishable financial statements item, etc.);
- certain tax features (VAT regime, etc.);
- management characteristics (whether compulsory or not, link to the consolidated chart of accounts, length of time online transactions are stored, IFRS characteristics, etc.).

Processing tools

The accounting information processing tools are mainly based on internal applications. There are also a number of specialized applications, external or internal, particularly software for producing management reporting, balance sheets or account statements, a utility for processing file requests, software for consolidation, processing regulatory statements, managing capital assets and tax returns.

Control methods

Automated controls

A series of automated controls are carried out when accounting records are processed and before transactions are allocated to ensure that records are balanced and valid, and to update the audit trail of the captions affected by the transaction. In-house tools are used to control accounting transactions on a daily basis and to detect any discrepancies.

A dedicated automatic account control application has been in use since 2010 to manage limit amounts for accounting allocation, differentiated by type of account (third party/general accounts), by direction (debit/credit), by IT application code, by entity and by sector of activity within the entity. The tool has two levels of control:

- an alert threshold;
- a maximum amount.

The control applies to real-time or batch processing from all applications which do not require validation of movements according to the “4 eyes” principle. When the alert threshold is exceeded, an event is sent to the customer relationship manager. When the maximum amount is exceeded, the accounting flow is blocked, which is then diverted to an accrual account and assumes validation according to the “4 eyes” principle before definitive accounts allocation.

In all cases, movements above the alert threshold (automatically when processing files and after forcing for real-time) are logged and archived in the event management system.

Closing process controls

At the time of each closing, the accounting results are compared with the forecast administrative data for validation. The forecast administrative data is prepared by independent divisions of the accounting production departments (management and budgetary control).

This analysis particularly concerns:

- net interest margin. For interest rate instruments (deposits, loans and off-balance sheet items), management control calculates expected returns and costs based on observed average capital. The latter is then compared with the interest actually recognized, for a validation sector of activity by sector of activity;
- level of fees. Based on business volume indicators, the management accounting department estimates the volume of fees received and payable, compared with recognized data;
- general operating expenses (employee benefits expense and other general operating expenses);
- the cost of risk (level of provisioning and recognized losses).

Procedures put in place

Accounting procedures and accounting procedures are formalized. For the network, procedures are posted on the bank’s intranet.

Levels of control

Daily accounting controls are performed by the appropriate employees within each branch.

The accounting control departments also have a general mission covering, in particular, regulatory controls, the monitoring of substantiating documentation for internal accounts and branch identifiers, control of the foreign currency positions, control of net revenue per activity, the accounting plans and procedures and the interface between the back offices and the statutory auditors for half-yearly and annual closures.

Furthermore, the control departments (periodic, permanent and compliance) also perform accounting work.

5.3.4.4.2 Audits of the consolidated financial statements

Accounting policies and principles

Adapting to regulatory developments

The system is periodically updated in line with regulatory developments (IFRS) or to improve the reliability of financial statement preparation.

IFRS compliance

The accounting principles fixed by the IFRS standards have been applied in the group's entities since January 1, 2005. A summary of this is included in the consolidated financial statements.

Foreign subsidiaries apply the principles and methods defined by the group for the transition from local standards to French and international standards in the consolidation packages and their financial reporting.

The annual financial statements prepared in accordance with IFRS are documented in the central information system for the entities using the common information system.

The accounting managers of the various Crédit Mutuel Alliance Fédérale entities meet twice a year to prepare the half-yearly and annual closings.

Annual financial statements in accordance with IFRS are prepared for the relevant entities in the central IT system, using the same organization and team as for those drawn up in accordance with French (CNC) standards.

Reporting and consolidation

Consolidation process

The group uses a consolidation chart of accounts. Within the shared information system, each account in the chart of accounts is linked to the consolidation chart of accounts. This link is unique to each account, with regard to all companies managed under this chart.

The consolidated financial statements are prepared in accordance with a timetable distributed to all the subsidiaries and the statutory auditors, which includes, where applicable, changes in procedures and standards to be incorporated. Each consolidated subsidiary has (i) one person in charge of its closing process and (ii) another in charge of reporting intercompany transactions between fully consolidated companies. In accordance with their professional standards, the statutory auditors for the consolidation also give the statutory auditors of the consolidated companies instructions aimed at ensuring that the subsidiary complies with the various rules.

A dedicated software package, one of the main standard tools on the market, is used to consolidate the accounts. Data input (consolidation packages) is partially automated, using an interface developed on the accounting information system. This system makes it possible to automatically retrieve balances and ensure that company-only and consolidated data are consistent.

Reporting and data control

Companies cannot submit their consolidation package before a number of consistency checks that are programmed into the input software have been carried out. These control checks, established by the consolidation departments, cover a large number of aspects (changes in shareholders' equity, provisions, non-current assets, cash flows, etc.). "Blocking" controls prevent a package from being transmitted by the subsidiary and can only be overridden by the central consolidation departments.

Consistency checks against company's own data are also performed by the consolidation department upon receipt of the consolidation packages (level of results, intermediate balances, etc.). Finally, systematic reconciliation statements between company's own and the consolidated data are generated for shareholders' equity and earnings. This process, which ensures consistency in the transition between the statutory and consolidated series, is carried out without using the consolidation software, thus leading to validation of the consolidated data.

Analysis of accounting and financial information

The consolidated financial statements are analyzed in relation to the previous fiscal year and compared to the budget and the quarterly accounting and financial reporting. These are organized by themes (cost of risk, progress of outstanding loans and deposits, etc.). The changes observed are corroborated by the departments concerned, such as the lending department and the management control for the various entities.

Each entity's contribution to the consolidated financial statements is also analyzed.

The accounting principles used, which have a significant impact, were first reviewed and validated by the statutory auditors. They are regularly invited to attend meetings of the Board of Directors to approve the financial statements and meetings of the Auditing Committee (see below).

Each time a closing involves the publication of financial data, this information is presented by the finance department to Executive Management and the Board of Directors. This report presents the breakdown of income, the balance sheet position and the current business situation, including the reconciliation of non-accounting data (rates, average capital, etc.).

The accounting work is regularly presented to the Group Auditing and Accounting Committee.

Conclusion

Drawing on common methods and tools, the internal control and risk monitoring mechanism fits into Crédit Mutuel Alliance Fédérale's system of controls, forming a coherent whole, appropriately adapted to the group's different activities in France and internationally. It meets banking and finance regulatory requirements and conforms to the operational principles established by the group. It is our ongoing objective to consolidate and further improve efficiency.

5.4 SCOPE OF REGULATORY FRAMEWORK (EU LIA & EU LIB)

Pursuant to Regulation (EU) No. 575/2013 of the European Parliament and the European Council relative to prudential requirements applicable to credit institutions and investment firms (referred to as the "CRR"), the accounting and prudential entities are the same; only the consolidation method changes.

For Crédit Mutuel Alliance Fédérale, the consolidation method differs primarily for entities involved in the insurance sector, press activities and securitization mutual funds, which are consolidated using the equity method, regardless of the percentage of control.

The differences between Crédit Mutuel Alliance Fédérale's accounting and prudential scopes as of December 31, 2023 are presented in the tables below.

ANC Regulation 2016-09 of December 2, 2016, approved by the Order of December 26, 2016, requires companies preparing consolidated financial statements under IFRS to publish information on entities not included in the scope of consolidation. Crédit Mutuel Alliance Fédérale excludes certain companies due to their non-material nature. The list of companies is published on the institutional website of Banque Fédérative du Crédit Mutuel (BFCM).

TABLE 3: DIFFERENCES BETWEEN THE ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND CORRESPONDENCE BETWEEN THE FINANCIAL STATEMENTS AND THE REGULATORY RISK CATEGORIES (EU LI1)

			Carrying amounts of items:				
12/31/2023 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	subject to the credit risk framework	subject to the counter-party risk framework[1]	subject to provisions relating to securi-tization	subject to the market risk framework [1]	not subject to capital requirements or subject to deduction from capital
Assets							
Cash, central banks – Assets	97,504	97,505	97,505	0	0	0	0
Financial assets at fair value through profit or loss	33,892	33,993	7,580	18,717	0	20,582	0
Hedging derivatives – Assets	1,525	1,525	0	1,525	0	0	0
Financial assets at fair value through shareholders' equity	37,147	37,148	30,752	0	6,396	0	0
Securities at amortized cost	3,825	4,827	4,827	0	0	0	0
Loans and receivables due from credit institutions and similar at amortized cost	66,843	67,049	57,350	8,111	1,588	0	0
Loans and receivables due from customers at amortized cost	521,951	524,063	519,882	4,182	0	0	0
Revaluation adjustment on rate-hedged books	-2,301	-2,301	0	0	0	0	-2,301
Short-term investments in the insurance business line and reinsurers' share of technical reserves	130,997	0	0	0	0	0	0
Reinsurance contracts issued - assets	15	0	0	0	0	0	0
Reinsurance contracts held - assets	312	0	0	0	0	0	0
Current tax assets	1,662	1,371	1,371	0	0	0	0
Deferred tax assets	1,131	1,080	1,080	0	0	0	0
Accruals and miscellaneous assets	10,530	10,285	10,285	0	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0
Deferred profit-sharing	0	0	0	0	0	0	0
Investments in equity consolidated companies	798	10,106	10,000	0	0	0	106
Investment property	311	311	311	0	0	0	0
Property, plant and equipment and finance leases	4,131	3,970	3,970	0	0	0	0
Intangible assets	690	567	0	0	0	0	567
Goodwill	2,351	2,225	0	0	0	0	2,225
TOTAL ASSETS	**913,314**	**793,726**	**744,914**	**32,535**	**7,984**	**20,582**	**597**

(1) Certain items may be subject to capital requirements for counterparty risk and market risk. This concerns derivatives and repos.

12/31/2023 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Carrying amounts of items: subject to the credit risk framework	subject to the counter-party risk framework[1]	subject to provisions relating to securi-tization	subject to the market risk framework[1]	not subject to capital requirements or subject to deduction from capital
Liabilities							
Central banks – Liabilities	31	31	0	0	0	0	31
Financial liabilities at fair value through profit or loss	17,940	17,980	0	16,493	0	10,911	146
Hedging derivatives – Liabilities	2,003	2,003	0	2,003	0	0	0
Due to credit institutions	50,034	44,649	0	9,758	0	0	34,891
Due to customers	481,095	484,228	0	3,178	0	0	481,050
Debt securities	150,692	156,279	0	0	0	0	156,279
Revaluation adjustment on rate-hedged books	-243	-243	0	0	0	0	-243
Current tax liabilities	759	754	0	0	0	0	754
Deferred tax liabilities	501	483	483	0	0	0	0
Accruals and miscellaneous liabilities	13,958	12,798	0	0	0	0	12,798
Liabilities on assets held for sale	0	0	0	0	0	0	0
Insurance contracts issued - liabilities	119,184	0	0	0	0	0	0
Insurance contracts held - liabilities	0	0	0	0	0	0	0
Technical reserves	0	0	0	0	0	0	0
Liabilities to credit institutions – JV	0	0	0	0	0	0	0
Debt securities – JV	0	0	0	0	0	0	0
Trading derivatives	0	0	0	0	0	0	0
Due to credit institutions	0	0	0	0	0	0	0
Hedging derivatives – Liabilities	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0	0
Subordinated debt issued by insurance companies	0	0	0	0	0	0	0
Provisions for risks and expenses	3,477	2,823	0	0	0	0	2,823
Subordinated debt issued by bank	11,502	10,593	0	0	0	0	10,593
Total shareholders' equity	**62,379**	**61,346**	**0**	**0**	**0**	**0**	**61,346**
Shareholders' equity attributable to the group	60,364	60,364	0	0	0	0	60,364
Share capital and related pay-ins	8,063	8,063	0	0	0	0	8,063
Consolidated reserves – group	48,171	48,171	0	0	0	0	48,171
Unrealized gains and (losses) recognized directly in shareholders' equity – group	188	188	0	0	0	0	188
Net income – group	3,942	3,942	0	0	0	0	3,942
Shareholders' equity – Non-controlling interests	2,015	982	0	0	0	0	982
TOTAL LIABILITIES	**913,314**	**793,726**	**483**	**31,433**	**0**	**10,911**	**760,468**

(1) *Certain items may be subject to capital requirements for counterparty risk and market risk. This concerns derivatives and repos.*

The differences between the carrying amounts according to the published financial statements and the carrying amounts on the regulatory scope of consolidation only concern differences in methods between the statutory and regulatory scopes.

TABLE 4: MAIN SOURCES OF DIFFERENCES BETWEEN CARRYING AND REGULATORY AMOUNTS OF EXPOSURE (EU LI2)

12/31/2023 *(in € millions)*	Total	Items subject to:			
		credit risk framework	counterparty risk framework[1]	securitization provision	market risk framework
1 - Carrying amount of assets within the regulatory scope of consolidation	**806,001**	**744,900**	**32,535**	**7,984**	**20,582**
2 - Carrying amount of liabilities in the regulatory consolidation (as per Table LI1)	**42,827**	**483**	**31,433**	**0**	**10,911**
3 - Net total in the regulatory consolidation	**763,174**	**744,417**	**1,102**	**7,984**	**9,671**
4 - Off-balance sheet commitments	**152,755**	**152,250**	**-**	**505**	**-**
- OBS valuation difference	**-101,768**	**-101,768**	**-**	**0**	**-**
5 - Valuation differences	3,069	-	3,069	-	-
6 - Differences arising from differing rules for offsetting other than those already in line 2[2]	9,019	-	14,052	-	-5,032
7 - Differences arising from the inclusion of provisions	5,568	5,569	-	-1	-
8 - Differences arising from credit risk mitigation (CRM) techniques	0	0	-	-	-
9 - Differences arising from the inclusion of conversion factors (CCF)	0	0	-	-	-
10 - Differences arising from risk-transferred securitizations	0	0	-	-	-
11 - Other	112	112	-	0	-
12 - Regulatory amount of exposures	**831,929**	**800,580**	**18,223**	**8,488**	**4,639**

(1) The data presented correspond to the net value of the assets and liabilities of derivatives and repurchase agreements.
(2) Net credit balances after offsets are excluded from counterparty risk.

Differences between the net carrying amounts of the regulatory consolidated balance sheet and the regulatory value of exposures relate to off-balance sheet commitments less valuation differences on the carrying amount of off-balance sheet items.

TABLE 5: DESCRIPTION OF THE DIFFERENCES BETWEEN THE SCOPES OF CONSOLIDATION (EU LI3)

Name of the entity/grouping	Accounting consolidation method	Regulatory method					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Groupe des Assurances du Crédit Mutuel[1]	**Full consolidation[2]**			**x**			**Insurance companies**
Activités de Presse[1]	**Full consolidation[3]**			**x**			**Other activities**
FCT Crédit Mutuel Factoring	Full consolidation			x			Banking network subsidiaries
FCT Factofrance	Full consolidation			x			Banking network subsidiaries
LYF SA	Consolidation using the equity method		x				Banking network subsidiaries
2SF Trust Services Company	Consolidation using the equity method		x				Other business lines
Euro Automatic Cash	Consolidation using the equity method		x				Other business lines
Euro Protection Surveillance	Full consolidation			x			Other business lines
Lyf SAS	Consolidation using the equity method		x				Other business lines

(1) Detail by entity appears in Appendix 1.
(2) Except ASTREE Assurances, which is equity-accounted.
(3) Except Journal de la Haute-Marne and Lumedia, which are equity-accounted.

Detail by entity of the description of the differences between consolidation scopes is presented in Appendix 1.

TABLE 6: VALUE ADJUSTMENTS FOR CONSERVATIVE VALUATION PURPOSES (EU PV1)

12/31/2023 *(in € millions)*	Risk category					Category AVA – Valuation uncertainty			Total Category AVA after diversification	
Category AVA	**Equities**	**Interest rate**	**Currency transactions**	**Credit**	**Commodities**	**AVA relating to prepaid credit spreads**	**AVA relating to investment and financing costs**	**Total Category AVA after diversification**	**Of which: Total principal approach in the trading book**	**Of which: Total principal approach in the banking book**
Market price uncertainties	0	1	0	147	0	0	0	74	0	74
Liquidation costs	0	77	0	0	0	23	0	62	0	62
Concentrated positions	0	0	0	2	0	0	0	2	0	2
Early termination	0	0	0	0	0	0	0	0	0	0
Model-based risk	0	0	0	0	0	0	0	0	0	0
Operational risks	0	0	0	0	0	0	0	0	0	0
Future administrative expenses	0	0	0	0	0	0	0	0	0	0
TOTAL ADDITIONAL VALUE ADJUSTMENTS (AVA)	**0**	**78**	**0**	**149**	**0**	**23**	**0**	**139**	**0**	**139**

12/31/2022 *(in € millions)*	Risk category					Category AVA – Valuation uncertainty			Total Category AVA after diversification	
Category AVA	**Equities**	**Interest rate**	**Currency transactions**	**Credit**	**Commodities**	**AVA relating to prepaid credit spreads**	**AVA relating to investment and financing costs**	**Total Category AVA after diversification**	**Of which: Total principal approach in the trading book**	**Of which: Total principal approach in the banking book**
Market price uncertainties	0	3	0	89	0	0	0	46	0	46
Liquidation costs	0	67	1	0	0	32	0	66	0	66
Concentrated positions	0	0	0	3	0	0	0	3	0	3
Early termination	0	0	0	0	0	0	0	0	0	0
Model-based risk	0	0	0	0	0	0	0	0	0	0
Operational risks	0	0	0	0	0	0	0	0	0	0
Future administrative expenses	0	0	0	0	0	0	0	0	0	0
TOTAL ADDITIONAL VALUE ADJUSTMENTS (AVA)	**0**	**70**	**1**	**92**	**0**	**32**	**0**	**115**	**0**	**115**

5.5 REGULATORY CAPITAL

5.5.1 Composition of regulatory capital

Since January 1, 2014, regulatory capital has been determined in accordance with Section 1 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (referred to as the "CRR"), supplemented by technical standards (Delegated Regulations and EU implementing regulations of the European Commission).

Capital is the sum of:

- Tier 1 capital: consisting of Common Equity Tier 1 (CET1) capital net of deductions and Additional Tier 1 (AT1) capital net of deductions;
- Tier 2 capital net of deductions.

The European regulations allow credit institutions a transitional period to achieve compliance with these requirements. At December 31, 2023, Crédit Mutuel Alliance Fédérale no longer had any capital items benefiting from transitional clauses.

Tier 1 capital

Common Equity Tier 1 (CET1) capital consists of share capital instruments and the associated issue premiums, reserves (including those relating to accumulated other comprehensive income) and retained earnings. Total flexibility of the payments is required and the instruments must be perpetual.

Additional Tier 1 (AT1) capital consists of perpetual debt instruments with no incentive or obligation to redeem (in particular step-ups in interest rates).

AT1 instruments are subject to a loss absorption mechanism which is triggered when the CET1 ratio is below a minimum threshold of 5.125%. The instruments can be converted into equity or reduced in nominal value.

Total payment flexibility is required, and coupon payments may be canceled at the issuer's discretion.

Common Equity Tier 1 capital is determined using the shareholders' equity carried on the group's accounting statements, calculated on the regulatory consolidation after applying "prudential filters" and a certain number of regulatory adjustments.

Beginning January 1, 2018, due to the end of the transitional clauses applied to unrealized gains arising from the equity-accounting of investments in associates (excluding securities used as cash flow hedges), those investments are no longer filtered and are now fully incorporated into common equity capital.

Conversely, unrealized gains and losses recognized for accounting purposes directly in equity due to a cash flow hedge and those relating to other financial instruments, including debt instruments, continue to be eliminated.

The other regulatory adjustments to CET1 mainly involve:

- anticipation of dividend distributions;
- deducting goodwill and other intangible assets;
- the negative difference between provisions and expected losses as well as expected losses on equities;
- value adjustments due to requirements for conservative valuation;
- deferred tax assets that rely on future profitability and do not arise from temporary differences net of related tax liabilities;
- gains or losses recorded by the institution on liabilities measured at fair value and that result from changes in the institution's credit standing;
- gains and losses at fair value on derivatives recognized as liabilities on the institution's balance sheet and that result from changes in the institution's credit standing;
- amounts to be deducted due to insufficient hedging of non-performing exposures;
- the deduction of IPC FRU and FGDR.

The exemption from the deduction on the net value of intangible assets for software amortized over three years provided for in the CRR2 framework has been applied.

Tier 2 capital

Tier 2 capital consists of subordinated debt instruments with a minimum maturity of five years. Incentives for early redemption are prohibited.

The amount of "eligible capital" is more limited. This concept is used to calculate large exposure thresholds and non-financial investments weighted at 1,250%. This is the sum of:

- Tier 1 capital; and
- Tier 2 capital, capped at 1/3 of Tier 1 capital.

TABLE 7: DETAILED INFORMATION ABOUT CAPITAL (EU CC1)

	(in € millions)	12/31/2023	12/31/2022	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1	Capital instruments and related issue premium accounts	7,968	8,266	3
	of which: Shares	7,968	8,266	-
	of which: Issue premiums	0	0	-
2	Retained earnings	48,544	43,348	4
3	Accumulated other comprehensive income (and other reserves)	-184	-18	-
3a	Funds for general banking risks	0	0	-
4	Amount of qualifying items referred to in Art. 484 (3) and related share premium accounts subject to gradual exclusion from CET1	0	0	-
5	Non-controlling interests eligible for CET1	351	260	5
5a	Intermediate profits, net of any foreseeable expense and distribution of dividends, subject to independent control	3,695	3,167	4
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**60,375**	**55,023**	**-**
COMMON EQUITY TIER 1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS				
7	Additional value adjustments (negative amount)	-139	-115	-
8	Intangible assets (net of related tax liabilities) (negative amount)	-2,801	-2,840	1
9	Empty value set in the EU	-	-	-
10	Deferred tax assets that rely on future profits, excluding those arising from temporary differences (net of related tax liabilities when the conditions in Art. 38 (3) are met) (negative amount)	-24	-23	-
11	Fair value reserves related to gains and losses on cash flow hedges	1	-19	-
12	Negative amounts resulting from the calculation of expected losses	-556	-226	-
13	Any increase in equity resulting from securitized assets (negative amount)	0	0	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-5	-2	-
15	Defined benefit pension fund assets (negative amount)	0	0	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	0	-
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	0	0	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	-
19	Direct, indirect and synthetic holdings by the institution of CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	-
20	Empty value set in the EU	-	-	-
20a	Exposure amount of the following items which qualify for a risk weight of 1,250%, where the institution opts for the deduction alternative	-0	-0	-
20b	*of which qualifying holdings outside the financial sector (negative amount)*	*0*	*0*	-
20c	*of which securitization positions (negative amount)*	*-0*	*-0*	-
20d	*of which free deliveries (negative amount)*	*0*	*0*	-
21	Deferred tax assets arising from temporary differences (amount above the 10% threshold, net of related tax liabilities when the conditions in Art. 38 (3) are met) (negative amount)	0	0	-
22	Amount exceeding the 17.65% threshold (negative amount)	0	0	-

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(in € millions)		12/31/2023	12/31/2022	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
23	*of which direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	*0*	*0*	-
24	Empty value set in the EU	-	-	-
25	*of which deferred tax assets arising from temporary differences*	*0*	*0*	-
25a	Losses for the current fiscal year (negative amount)	0	0	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0	0	-
26	Empty value set in the EU	-	-	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0	0	-
27a	Other regulatory adjustments	-1,104	-910	-
28	**Total regulatory adjustments to Common Equity Tier (CET1) capital**	**-4,627**	**-4,134**	**-**
29	**Common Equity Tier 1 (CET1) capital**	**55,747**	**50,888**	**-**
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30	Capital instruments and related issue premium accounts	0	0	2
31	*of which classified as equity under the applicable accounting basis*	*0*	*0*	-
32	*of which: classified as liabilities under the applicable accounting basis*	*0*	*0*	-
33	Amount of qualifying items referred to in Art. 484 (4) and related issue premium accounts subject to gradual exclusion from AT1	0	0	2
33a	Amount of qualifying items referred to in Art. 494a (1) of the CRR, gradually excluded from AT1	0	0	-
33b	Amount of qualifying items referred to in Art. 494b (1) of the CRR, gradually excluded from AT1	0	0	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including non-controlling interests not included in line 5) issued by subsidiaries and held by third parties	61	50	-
35	*of which instruments issued by subsidiaries subject to gradual exclusion*	*0*	*0*	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**61**	**50**	**-**
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0	0	-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the institution's own funds (negative amount)	0	0	-
39	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	-
41	Empty value set in the EU	-	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	0	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**0**	**0**	**-**
44	**Additional Tier 1 (AT1) capital**	**61**	**50**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**55,809**	**50,938**	**-**
ADDITIONAL TIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS				
46	Capital instruments and related issue premium accounts	7,044	6,913	2
47	Amount of qualifying items referred to in Art. 484 (5) and related issue premium accounts subject to gradual exclusion from T2	0	0	2
47a	Amount of qualifying items referred to in Art. 494a (2) of the CRR, gradually excluded from AT1	0	0	-

(in € millions)		12/31/2023	12/31/2022	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
47b	Amount of qualifying items referred to in Art. 494b (2) of the CRR, gradually excluded from AT1	0	0	-
48	Qualifying capital instruments included in consolidated T2 capital (including non-controlling interests and AT1 instruments not included in line 5) issued by subsidiaries and held by third parties	82	67	-
49	*of which instruments issued by subsidiaries subject to gradual exclusion*	*0*	*0*	-
50	Credit risk adjustments	0	315	-
51	Tier 2 (T2) capital before regulatory adjustments	7,125	7,295	-
TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS				
52	Direct and indirect holdings by an institution of T2 own instruments and subordinated loans (negative amount)	-10	-10	-
53	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	0	0	-
54	Direct holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the threshold of 10% net of eligible short positions) (negative amount)	0	0	-
54a	*Empty value set in the EU*	-	-	-
55	Direct holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-650	-650	-
56	Empty value set in the EU	-	-	-
56a	Acceptable deductions of qualifying liabilities that exceed the institution's qualifying liability items (negative amount)	0	0	-
56b	Other regulatory adjustments to T2 capital	0	0	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-660	-660	-
58	Tier 2 (T2) capital	6,465	6,635	-
59	Total capital (TC = T1 + T2)	62,274	57,573	-
60	Total risk-weighted assets	300,652	279,961	-
CAPITAL RATIOS AND BUFFERS				
61	Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	18.54%	18.18%	-
62	Tier 1 capital (as a percentage of total risk exposure amount)	18.56%	18.19%	-
63	Total capital (as a percentage of total risk exposure amount)	20.71%	20.56%	-
64	Institution-specific buffer requirement (CET1 requirement in accordance with Art. 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution, expressed as a percentage of risk exposure amount)	3.00%	2.54%	-
65	*of which capital conservation buffer requirement*	*2.50%*	*2.50%*	-
66	*of which countercyclical capital conservation buffer requirement*	*0.50%*	*0.04%*	-
67	*of which systemic risk buffer requirement*	*0.00%*	*0.00%*	-
67a	*of which global systemically important institution (G-SII) or other systemically important institution (O-SII) buffer*	*0.00%*	*0.00%*	-
67b	*of which additional capital requirements to address risks other than the risk of excessive leverage*	*1.50%*	*1.50%*	-
68	Common Equity Tier 1 capital (as a percentage of the risk exposure amount) available after meeting the minimum capital requirements	14.04%	13.68%	-
69	[not applicable in EU regulation]	-	-	

(in € millions)		12/31/2023	12/31/2022	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
70	[not applicable in EU regulation]	-	-	
71	[not applicable in EU regulation]	-	-	
LOWER LIMITS TO THRESHOLDS FOR DEDUCTION (BEFORE WEIGHTING)				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	299	319	-
73	Direct and indirect holdings of the capital of financial sector entities where the institution has a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	1,717	1,668	-
74	Empty value set in the EU	-	-	
75	Deferred tax assets arising from temporary differences (amount below the 10% threshold, net of related tax liabilities when the conditions in Art. 38 (3) are met)	572	593	-
UPPER LIMITS APPLICABLE FOR INCLUSION OF PROVISIONS IN TIER 2 CAPITAL				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	0	0	-
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	938	924	-
78	Credit risk adjustments included in T2 in respect of exposures subject to the internal ratings approach (prior to the application of the cap)	-274	315	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	799	761	-
CAPITAL INSTRUMENTS SUBJECT TO PROGRESSIVE EXCLUSION (APPLICABLE BETWEEN JANUARY 1, 2014 AND JANUARY 1, 2022 ONLY)				
80	Current cap applicable to CET1 instruments subject to gradual exclusion	0	0	-
81	Amount excluded from CET1 due to cap (cap excess after redemptions and maturities)	0	0	-
82	Current cap applicable to AT1 instruments subject to gradual exclusion	0	0	-
83	Amount excluded from AT1 due to cap (cap excess after redemptions and maturities)	0	0	-
84	Current cap applicable to AT2 instruments subject to gradual exclusion	0	0	-
85	Amount excluded from AT2 due to cap (cap excess after redemptions and maturities)	0	0	-

The principal characteristics of capital instruments in the format of Appendix 8 to EU Implementing Regulation No. 2021/637 of March 15, 2021 are presented in Appendix 2 (EU CCA).

TABLE 8: RECONCILIATION BETWEEN THE CONSOLIDATED ACCOUNTING BALANCE SHEET AND THE PRUDENTIAL BALANCE SHEET (EU CC2)

12/31/2023 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
ASSETS			
Cash, central banks – Assets	97,504	97,505	
Financial assets at fair value through profit or loss	33,892	33,993	
Hedging derivatives – Assets	1,525	1,525	
Financial assets at fair value through shareholders' equity	37,147	37,148	
Securities at amortized cost	3,825	4,827	
Loans and receivables due from credit institutions and similar at amortized cost	66,843	67,049	
Loans and receivables due from customers at amortized cost	521,951	524,063	
Revaluation difference on rate-hedged books	-2,301	-2,301	
Short-term investments in the insurance business line and reinsurers' share of technical reserves	131,325	-0	
Current tax assets	1,662	1,371	
Deferred tax assets	1,131	1,080	
Accruals and miscellaneous assets	10,530	10,285	
Non-current assets held for sale	0	0	
Deferred profit-sharing	0	0	
Investments in equity consolidated companies	798	10,106	
Investment property	311	311	
Property, plant and equipment and finance leases	4,131	3,970	
Intangible assets	690	567	1
Goodwill	2,351	2,225	1
TOTAL ASSETS	**913,314**	**793,726**	

12/31/2023 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
LIABILITIES			
Central banks – Liabilities	31	31	
Financial liabilities at fair value through profit or loss	17,940	17,980	
Hedging derivatives – Liabilities	2,003	2,003	
Due to credit institutions	50,034	44,649	
Due to customers	481,095	484,228	
Debt securities	150,692	156,279	2
Revaluation difference on rate-hedged books	-243	-243	
Current tax liabilities	759	754	
Deferred tax liabilities	501	483	
Accruals and miscellaneous liabilities	13,958	12,798	
Liabilities on assets held for sale	0	0	
Technical reserves and other insurance liabilities	119,184	0	
Provisions for risks and expenses	3,477	2,823	
Subordinated debt issued by bank	11,502	10,593	2
Total shareholders' equity	**62,379**	**61,346**	
Shareholders' equity attributable to the group	60,364	60,364	
Share capital and related pay-ins	*8,063*	*8,063*	*3*
Consolidated reserves – group	*48,172*	*48,172*	*4*
Unrealized gains and (losses) recognized directly in shareholders' equity – group	*188*	*188*	
Net income – group	*3,942*	*3,942*	*4*
Shareholders' equity – Non-controlling interests	2,015	982	5
TOTAL LIABILITIES	**913,314**	**793,726**	

12/31/2022 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
ASSETS			
Cash, central banks – Assets	111,929	111,933	
Financial assets at fair value through profit or loss	29,264	29,405	
Hedging derivatives – Assets	4,226	4,226	
Financial assets at fair value through shareholders' equity	34,522	34,525	
Securities at amortized cost	3,436	4,104	
Loans and receivables due from credit institutions and similar at amortized cost	57,173	57,209	
Loans and receivables due from customers at amortized cost	502,097	501,830	
Revaluation difference on rate-hedged books	-6,904	-6,904	
Short-term investments in the insurance business line and reinsurers' share of technical reserves	122,675	0	
Current tax assets	1,557	1,365	
Deferred tax assets	2,237	1,110	
Accruals and miscellaneous assets	9,582	9,596	
Non-current assets held for sale	4,986	3,924	
Deferred profit-sharing	48	0	
Investments in equity consolidated companies	790	8,042	
Investment property	298	298	
Property, plant and equipment and finance leases	4,079	3,818	
Intangible assets	740	614	1
Goodwill	2,353	2,226	1
TOTAL ASSETS	**885,087**	**767,321**	

12/31/2022 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
LIABILITIES			
Central banks – Liabilities	44	44	
Financial liabilities at fair value through profit or loss	18,772	18,783	
Hedging derivatives – Liabilities	2,502	2,502	
Due to credit institutions	63,217	63,658	
Due to customers	456,983	457,192	
Debt securities	135,072	140,856	2
Revaluation difference on rate-hedged books	-14	-14	
Current tax liabilities	684	575	
Deferred tax liabilities	880	508	
Accruals and miscellaneous liabilities	13,998	12,925	
Liabilities on assets held for sale	3,720	3,039	
Technical reserves and other insurance liabilities	112,004	0	
Provisions for risks and expenses	3,407	2,402	
Subordinated debt issued by bank	8,951	8,951	2
Total shareholders' equity	**56,749**	**55,899**	
Shareholders' equity attributable to the group	55,024	55,024	
Share capital and related pay-ins	*8,366*	*8,366*	*3*
Consolidated reserves – group	*44,002*	*44,001*	*4*
Unrealized gains and (losses) recognized directly in shareholders' equity – group	*-672*	*-671*	
Net income – group	*3,329*	*3,329*	*4*
Shareholders' equity – Non-controlling interests	1,725	875	5
TOTAL LIABILITIES	**885,087**	**767,321**	

5.5.2 Capital requirements

TABLE 9: OVERVIEW OF RWAS – MINIMUM CAPITAL REQUIREMENTS (EU OV1)

		RWAs (Risk-weighted assets)		Minimum capital requirements
(in € millions)		12/31/2023	12/31/2022	12/31/2023
1	**Credit risk (excl. counterparty risk – CCR)**	**264,517**	**244,382**	**21,161**
2	of which standardized approach	74,940	73,017	5,995
3	of which IRB simple approach (F-IRB)	59,681	54,855	4,774
4	of which referencing approach	10,289	9,259	823
5	of which equities under the simple weighting method	45,857	36,550	3,669
6	of which advanced IRB approach (A-IRB)	72,098	70,701	5,768
7	**Counterparty credit risk (CCR)**	**2,937**	**2,896**	**235**
8	of which standardized approach	2,197	2,021	176
9	of which internal model method (IMM)	0	0	0
10	of which exposure on a CCP	34	27	3
11	of which credit valuation adjustment – CVA	426	405	34
12	of which other RCCs	281	443	22
13	**Settlement risk**	**4**	**0**	**0**
14	**Securitization exposure in the banking book**	**1,678**	**1,641**	**134**
15	of which SEC-IRBA approach	0	0	0
16	of which SEC-ERBA approach	1,487	1,459	119
17	of which standardized approach	191	182	15
18	of which 1,250%/deduction	0	0	0
19	**Market risk**	**2,281**	**2,463**	**182**
20	of which standardized approach	2,281	2,463	182
21	of which internal model-based approaches (IMM)	0	0	0
22	**Major risks**	**0**	**0**	**0**
23	**Operational risks**	**23,513**	**22,927**	**1,881**
24	of which base indicator approach	1,956	1,904	157
25	of which standardized approach	908	999	73
26	of which advanced measurement approach	20,648	20,024	1,652
27	**Amounts less than deduction thresholds (subject to 250% risk weighting)**	**5,722**	**5,653**	**0**
28	**Floor adjustment**	**0**	**0**	**0**
29	**TOTAL**	**300,652**	**279,961**	**23,594**

5.6 PRUDENTIAL INDICATORS

5.6.1 Solvency ratio

Crédit Mutuel Alliance Fédérale's solvency ratios as of December 31, 2023, after consolidation of net income after estimated dividend distribution, are presented in the following table.

TABLE 10: SOLVENCY RATIOS

(in € millions)	12/31/2023	12/31/2022
COMMON EQUITY TIER 1 (CET1) CAPITAL	**55,747**	**50,888**
Capital	7,968	8,266
Eligible reserves before adjustments	52,407	46,515
Deductions from Common Equity Tier 1 capital	-4,627	-3,892
ADDITIONAL TIER 1 (AT1) CAPITAL	**61**	**50**
TIER 2 (T2) CAPITAL	**6,465**	**6,635**
TOTAL REGULATORY CAPITAL	**62,274**	**57,573**
Risk-weighted assets for credit risk	274,428	254,572
Risk-weighted assets for market risk	2,711	2,463
Risk-weighted assets for operational risk	23,513	22,927
TOTAL RISK-WEIGHTED ASSETS	**300,652**	**279,961**
SOLVENCY RATIOS – Transitional method		
Common Equity T1 (CET1) ratio	18.5%	18.2%
Tier 1 ratio	18.6%	18.2%
Overall ratio	20.7%	20.6%

Under the CRR [1], the total capital requirement is maintained at 8% of Risk-Weighted Assets (or RWAs).

In addition to the minimum CET1 requirement, Crédit Mutuel Alliance Fédérale has since January 1, 2016 gradually become subject to extra capital requirements which take the form of:

- a capital conservation buffer, mandatory for all institutions equal to 2.5% of risk-weighted assets at January 1, 2020;
- a countercyclical capital buffer specific to each institution.

The countercyclical buffer, established in case of excessive credit growth (notably a deviation from the loans-to-GDP ratio), applies nationally when so decided by a designated authority and, because of reciprocity agreements, covers the exposures located in that country regardless of the nationality of the bank. In France, the countercyclical capital buffer rate is set by the French Financial Stability Board (*Haut Conseil de stabilité financière* – HCSF).

As of April 7, 2023, the HSCF has set the countercyclical capital buffer rate at 0.5% for exposures in France. Following the decision of December 27, 2022, HSCF decided to raise the requirement to 1.0% for exposures in France from January 2, 2024.

Note the following changes:

- increase in the German CCC to 0.75% from February 1, 2023;
- increase in the Czech Republic's CCC to 2% from January 1, 2023 then 2.5% on April 1, 2023;
- increase in Slovakia's CCC to 1.5% from August 1, 2023;
- increase in Hungary's CCC to 0.5% from July 1, 2023.

As of January 1, 2019, the mandatory recognition of countercyclical capital buffer rates set in other countries is capped at 2.5%. Any ratios above that must be explicitly recognized by the HSCF.

Some countries have implemented systemic risk buffers (general or sectoral), and these new buffers will have a small impact on the group.

Crédit Mutuel Alliance Fédérale's specific countercyclical capital buffer ratio is calculated as the weighted average of countercyclical buffer ratios applied in the countries where the group's relevant credit exposures are located.

Crédit Mutuel Alliance Fédérale is not subject to the O-SII (Other Systemically Important Institutions) buffer, which applies solely at the national consolidated level.

TABLE 11: AMOUNT OF COUNTERCYCLICAL CAPITAL BUFFER SPECIFIC TO THE INSTITUTION (EU CCY-B2)

(in € millions)	12/31/2023	12/31/2022
010 Total risk-weighted assets	300,652	279,961
020 Countercyclical buffer ratio specific to the institution	0.4977%	0.0368%
030 Required countercyclical buffer specific to the institution	1,496	103

(1) *CRR: part 3/title 1/Chapter 1/Section 1/Article 92.*

TABLE 12: GEOGRAPHICAL BREAKDOWN OF RELEVANT CREDIT EXPOSURES FOR THE CALCULATION OF COUNTERCYCLICAL CAPITAL BUFFER (EU CCY-B1)

	12/31/2023													
	General credit exposures		Relevant credit exposures – market risk				Capital requirements							
(in € millions)	Value at risk using standardize approach	Value at risk using IRB approach	Sum of long and short positions of trading book exposures for the standardized approach	Value of trading book exposures for internal models	Securitization exposures. Value at risk for the non-trading book	Total exposure value	Relevant credit exposures – credit risk	Relevant credit exposures – market risk	Relevant credit exposures – securitization positions in the non-trading book	Total	Risk-weighted exposure amounts	Weighting of capital requirements *(in %)*	Countercyclical buffer ratio *(as a %)*
France	35,504	463,046	1,326	0	3,204	503,081	14,396	40	57	14,494	181,172	68.84%	0.5%
Germany	32,090	2,154	343	0	584	35,171	2,295	7	6	2,308	28,850	10.96%	0.8%
United Kingdom	1,626	3,448	116	0	441	5,631	305	5	13	322	4,029	1.53%	2.0%
Luxembourg	4,533	2,522	26	0	74	7,155	418	0	1	419	5,238	1.99%	0.5%
The Netherlands	597	2,051	166	0	581	3,395	142	3	7	152	1,895	0.72%	1.0%
Australia	152	2,256	50	0	228	2,686	136	1	3	141	1,758	0.67%	1.0%
Ireland	202	1,028	3	0	179	1,412	71	0	3	74	928	0.35%	1.0%
Norway	38	835	26	0	0	899	22	2	0	24	299	0.11%	2.5%
Czech Republic	391	7	0	0	0	398	28	0	0	28	348	0.13%	2.0%
Hong Kong	48	1,277	15	0	0	1,339	53	0	0	53	664	0.25%	1.0%
Sweden	164	702	38	0	0	904	22	1	0	22	281	0.11%	2.0%
Slovakia	315	2	0	0	0	317	19	0	0	19	233	0.09%	1.5%
Denmark	79	63	29	0	0	171	8	1	0	9	117	0.04%	2.5%
Croatia	11	79	0	0	0	90	6	0	0	6	71	0.03%	1.0%
Romania	70	4	2	0	0	76	5	0	0	5	67	0.03%	1.0%
Bulgaria	10	1	0	0	0	11	1	0	0	1	8	0.00%	2.0%
Lithuania	18	0	0	0	0	19	1	0	0	1	16	0.01%	1.0%
Slovenia	29	1	0	0	0	30	2	0	0	2	27	0.01%	0.5%
Estonia	5	0	0	0	0	5	0	0	0	0	5	0.00%	1.5%
Cyprus	6	5	0	0	0	11	1	0	0	1	9	0.00%	0.5%
Iceland	1	0	0	0	0	2	0	0	0	0	1	0.00%	2.0%

	12/31/2022												
	General credit exposures		Relevant credit exposures – market risk				Capital requirements						
(in € millions)	Value at risk using standardize approach	Value at risk using IRB approach	Sum of long and short positions of trading book exposures for the standardized approach	Value of exposures of the trading book for internal models	Securi-tization expo-sures. Value at risk for the non-trading book	Total exposure value	Relevant credit risk exposures – credit risk	Relevant credit exposures – market risk	Relevant credit exposures – securi-tization positions in the non-trading book	Total	Risk-weighted exposure amounts	Weighting of capital require-ments *(in %)*	Countercyclical buffer ratio *(as a %)*
Luxembourg	4,922	2,268	0	0	75	7,265	422	0	1	423	5,286	2.15%	0.5%
United Kingdom	1,475	3,021	0	0	344	4,840	277	0	13	290	3,623	1.47%	1.0%
Hong Kong	27	1,571	0	0	0	1,598	58	0	0	58	731	0.30%	1.0%
Sweden	144	1,089	0	0	0	1,233	58	0	0	58	725	0.30%	1.0%
Norway	72	579	0	0	0	651	11	0	0	11	142	0.06%	2.0%
Czech Republic	334	9	0	0	0	343	23	0	0	23	291	0.12%	1.5%
Slovakia	287	2	0	0	0	289	18	0	0	18	221	0.09%	1.0%
Denmark	125	78	0	0	0	203	13	0	0	13	159	0.06%	2.0%
Romania	94	5	0	0	0	100	7	0	0	7	86	0.03%	0.5%
Bulgaria	11	1	0	0	0	12	1	0	0	1	10	0.00%	1.0%
Estonia	7	0	0	0	0	7	1	0	0	1	7	0.00%	1.0%
Iceland	3	0	0	0	0	4	0	0	0	0	3	0.00%	2.0%

5.6.2 Major risks

Banks must measure and limit their exposures to a single recipient, customer or group of customers.

Article 395 of Regulation (EU) No. 575/2013 of June 26, 2013 states that net outstandings to a single recipient may not be greater than 25% of the bank's capital.

Article 392 of Regulation (EU) No. 575/2013 of June 26, 2013 states that gross outstandings to a single recipient greater than 10% of the bank's capital must be reported as a major risk.

Crédit Mutuel Alliance Fédérale does not have any gross outstanding with a single recipient [1] (customer or customer group) reaching the threshold of 10% or 5% of the bank's shareholders' equity.

TABLE 13: MAJOR RISKS

CORPORATES

Customer risk concentration	12/31/2023	12/31/2022
COMMITMENTS IN EXCESS OF €300 MILLION		
Number of counterparty groups	74	75
Total commitments *(in € millions)*, of which	46,336	47,201
Balance sheet total *(in € millions)*	18,570	18,851
Total off-balance sheet guarantees and financing uses *(in € millions)*	27,766	28,350
COMMITMENTS IN EXCESS OF €100 MILLION		
Number of counterparty groups	258	254
Total commitments *(in € millions)*, of which	73,653	73,314
Balance sheet total *(in € millions)*	33,522	33,193
Total off-balance sheet guarantees and financing uses *(in € millions)*	40,131	40,121

Source: "Major Risks" declaration across Crédit Mutuel Alliance Fédérale. Net exposures after exemptions and consideration of credit risk mitigation techniques. Commitments: weighted assets on balance sheet + off-balance sheet guarantees & financing.
Public administrations, central banks and intra-group exposures are not considered to be single "customer" recipients.

BANKS

Customer risk concentration	12/31/2023	12/31/2022
COMMITMENTS IN EXCESS OF €300 MILLION		
Number of counterparty groups	16	14
Total commitments *(in € millions)*, of which	7,820	6,816
Balance sheet total *(in € millions)*	6,818	5,837
Total off-balance sheet guarantees and financing uses *(in € millions)*	1,002	979
COMMITMENTS IN EXCESS OF €100 MILLION		
Number of counterparty groups	49	44
Total commitments *(in € millions)*, of which	11,483	9,714
Balance sheet total *(in € millions)*	9,828	8,160
Total off-balance sheet guarantees and financing uses *(in € millions)*	1,655	1,555

Source: "Major Risks" declaration across Crédit Mutuel Alliance Fédérale. Net exposures after exemptions and consideration of credit risk mitigation techniques. Commitments: weighted assets on balance sheet + off-balance sheet guarantees & financing.
Public administrations, central banks and intra-group exposures are not considered to be single "customer" recipients.

(1) Public administrations, central banks and intra-group exposures are not considered to be single "customer" recipients.

5.6.3 Supplementary supervision of financial conglomerates

Crédit Mutuel Alliance Fédérale is part of the financial conglomerates supervised by the SGACPR. The financial conglomerate activity is carried out through Groupe des Assurances du Crédit Mutuel (GACM), a subsidiary of Crédit Mutuel Alliance Fédérale. This subsidiary markets a broad line of life insurance, personal insurance, property & casualty insurance and liability insurance, most of it through the banking networks of the Crédit Mutuel group.

As a dispensation from Articles 36 and 43 of the CRR and in accordance with Article 49 of that regulation, the SGACPR (*Secrétariat général de l'Autorité de contrôle prudentiel et de résolution* – General Secretariat of the French Prudential Supervisory and Resolution Authority) has authorized the group not to deduct capital instruments in insurance industry entities from its Common Equity Tier 1 capital but to adopt the so-called weighted average exposure method, which consists of weighting the securities held in the group's subsidiary insurance entities in the denominator of the solvency ratio.

Consequently, and in accordance with the Order of November 3, 2014, the group is further subject to an extra requirement in terms of capital adequacy by using so-called accounting consolidation per the IFRS.

Thus, the insurance entities fully consolidated for accounting purposes are also fully consolidated for regulatory purposes in calculating the extra requirement.

This supplementary supervision of the conglomeration has three aspects:

- calculating the extra requirement in terms of capital adequacy;
- tracking the concentration of risks by recipient;
- auditing intra-segment transactions, with detail provided for transactions over a certain threshold.

The first aspect, concerning the extra capital adequacy requirement, makes it possible to check annually the coverage by conglomerate's consolidated accounting equity (including the regulatory adjustments and transitional arrangements found in the CRR) of the solvency requirements for both the banking and insurance segments.

The conglomerate's minimum capital requirement is 100%, calculated as follows:

$$\text{Conglomerate Ratio} = \frac{\text{Total shareholders' equity of the conglomerate}}{\text{Banking requirements} + \text{Insurance requirements}}$$

As of December 31, 2023, the group's conglomerate had a capital requirement coverage ratio of 171% (175% in 2022) after inclusion of net income net of dividends.

The second aspect, concerning concentration of risks per recipient on a consolidated basis, consists of reporting the accumulated gross risks on a single recipient greater than 10% of the conglomerate's consolidated equity or than €300 million, with at least the ten largest risks in institutions and the ten largest risks in unregulated financial entities. The banking and insurance segments are kept separate with respect to each recipient.

Crédit Mutuel Alliance Fédérale does not have any gross outstandings with a single recipient [1] (customer or customer group) reaching the threshold of 10% of the conglomerate's capital.

The last aspect, concerning the audit of intra-group transactions, requires a summary plus detail by type of transaction between the conglomerate's banking and insurance segments with respect to refinancing, off-balance sheet commitments and income exchanged.

TABLE 14: NON-DEDUCTIBLE HOLDINGS IN INSURANCE COMPANIES (EU INS1)

(in € millions)	12/31/2023	12/31/2022
Holdings of capital instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting)	8,940	7,329
TOTAL RWAS	**33,077**	**27,118**

TABLE 15 – TIER 2 CAPITAL INSTRUMENT ISSUED BY A FINANCIAL SECTOR ENTITY DEDUCTED FROM CAPITAL (EU INS1)

(in € millions)	12/31/2023	12/31/2022
Holdings of capital instruments of a financial sector entity where the institution has a significant investment deducted from own funds	650	650

TABLE 16: FINANCIAL CONGLOMERATES – INFORMATION ON CAPITAL AND EXPOSURES USED FOR THE LEVERAGE RATIO (EU INS2)

(in € millions and as a percentage)	12/31/2023	12/31/2022
Additional capital requirements for the financial conglomerate (amount)	39,190	36,286
Financial conglomerate capital adequacy ratio *(in %)*	170.6%	174.7%

(1) Public administrations, central banks, intra-group exposures and other exempt customers are not considered to be single "customer" recipients.

5.6.4 Leverage ratio (EU LRA)

The procedures for managing excessive leverage risk have been validated by Caisse Fédérale de Crédit Mutuel's Board of Directors and concern the following points:

- the leverage ratio is one of the key indicators of solvency, and monitoring it is the responsibility of the Risk Committees of Crédit Mutuel Alliance Fédérale;
- an internal limit has been defined at Crédit Mutuel Alliance Fédérale level;
- if the limit set by the supervisory body is breached, a specific procedure has been laid out, involving Executive Management of the group in question and the Boards of Directors of the group and of Caisse Fédérale de Crédit Mutuel.

TABLE 17: LEVERAGE RATIO – JOINT STATEMENT (EU LR2-LRCOM)

		Leverage ratio exposures under the CRR	
(in € millions)		12/31/2023	12/31/2022
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	Balance sheet items (excluding derivatives, SFTs and fiduciary assets, including collateral) [1]	768,413	748,769
2	Addition of the amount of collateral provided for derivatives, when collateral is deducted from balance sheet assets in accordance with the applicable accounting framework	0	0
3	(Deduction of receivables recognized as assets for the cash variation margin provided in derivative transactions)	-2,748	-407
4	(Adjustment for securities received as part of securities financing transactions that are recognized as assets)	0	0
5	(Adjustment for general credit risk of balance sheet items)	0	0
6	(Amounts of assets deducted when determining Tier 1 capital)	-556	-226
7	**Total balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**765,109**	**748,136**
DERIVATIVES EXPOSURES			
8	Replacement cost of all derivative transactions (net of eligible cash variation margins)	1,491	1,756
EU-8a	Derogation for derivatives: contribution of replacement costs under the simplified standardized approach	0	0
9	Mark-up amounts for potential future exposure related to SA-CCR derivatives transactions	3,069	2,449
EU-9a	Derogation for derivatives: contribution of potential future exposure under the simplified standardized approach	0	0
EU-9b	Exposure determined by applying the initial exposure method	106	148
10	(CCP leg exempted from client-cleared trade exposures – SA CCR)	0	0
EU-10a	(CCP leg exempted from client-cleared trade exposures – simplified standardized approach)	0	0
EU-10b	(CCP leg exempted from client-cleared trade exposures – initial exposure method)	0	0
11	Effective notional amount adjusted for credit derivatives sold	5,756	6,972
12	(Adjusted effective notional differences and deductions of mark-ups for credit derivatives sold)	-3,237	-3,146
13	**Total derivative exposures**	**7,186**	**8,179**
SFT EXPOSURES			
14	Gross SFT assets (excluding netting) after adjustment for transactions recognized as sales[2]	20,187	19,848
15	(Net value of cash payables and receivables of gross SFT assets)[2]	-7,706	-7,299
16	Counterparty risk exposure for SFT assets	0	0
EU-16a	Derogation for SFTs: exposure to counterparty risk in accordance with Article 429e (5) and Article 222 of the CRR	0	0
17	Exposures when the institution acts as agent	0	0
EU-17a	(CCP leg exempt from client-cleared SFT exposures)	0	0
18	**Total exposure to SFTs**	**12,481**	**12,549**
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposures at gross notional amount	135,543	138,937
20	(Adjustments for conversion into equivalent credit amounts)	-86,042	-86,580
21	(General provisions deducted when determining Tier 1 capital and specific provisions related to off-balance sheet exposures)	0	0

(in € millions)		Leverage ratio exposures under the CRR 12/31/2023	12/31/2022
22	**Total other off-balance sheet exposures**	**49,501**	**52,357**
EXPOSURES EXEMPTED UNDER ARTICLE 429 (7) AND (14) OF REGULATION (EU) NO. 575/2013 (ON-BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURES)			
EU-22a	(Exposures excluded from the total exposure measurement under Article 429a (1)(c) of the CRR)	-7,705	-11,518
EU-22b	(Exposures exempted under Article 429a (1)(j) of the CRR - on and off-balance sheet)	-45,036	-38,252
EU-22k	**Total exempt exposures**	**-52,741**	**-49,769**
CAPITAL AND TOTAL EXPOSURE MEASUREMENT			
23	**Tier 1 capital**	**55,809**	**50,938**
24	**Total exposure measurement**	**781,535**	**771,452**
LEVERAGE RATIO			
25	Leverage ratio *(as a %)*	7.1%	6.6%
EU-25a	Leverage ratio *(as a %)* excluding the impact of any applicable temporary exemption from central bank reserves	7.1%	6.6%
26	Minimum leverage ratio regulatory requirement *(as a %)*	3.0%	3.0%
EU-26a	Additional capital requirements to address the risk of excessive leverage *(as a %)*	0.0%	0.0%
EU-26b	Of which: to be constituted with CET1 capital	0.0%	0.0%
27	Leverage ratio buffer requirement *(as a %)*	0.0%	0.0%
EU-27a	Overall leverage ratio requirement *(as a %)*	3.0%	3.0%
CHOICE OF TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES			
EU-27b	Transitional arrangements chosen to define the measurement of capital	n/a	n/a
PUBLICATION OF AVERAGE VALUES			
28	Average daily values of gross SFT assets, adjusted for transactions recognized as sales and net of related cash payables and receivables	19,986	20,361
29	Quarterly value of gross SFT assets, adjusted for transactions recognized as sales and net of related cash payables and receivables	12,481	12,549
30	Total exposure measure (including the impact of any applicable temporary exemption from central bank reserves) incorporating the average values of gross SFT assets in line 28 (adjusted for transactions recognized as sales and net of related cash payables and receivables)	789,040	779,264
30a	Total exposure measure (excluding the impact of any applicable temporary exemption from central bank reserves) incorporating the average values of gross SFT assets in line 28 (adjusted for transactions recognized as sales and net of related cash payables and receivables)	789,040	779,264
31	Leverage ratio (including the impact of any applicable temporary exemption from central bank reserves) incorporating the average values of gross SFT assets in line 28 (adjusted for transactions recognized as sales and net of related cash payables and receivables)	7.1%	6.5%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption from central bank reserves) incorporating the average values of gross SFT assets in line 28 (adjusted for transactions recognized as sales and net of related cash payables and receivables)	7.1%	6.5%

(1) Repurchase agreements and securities lending/borrowing transactions.

(2) Dec. 2022 correction: figures not compensated.

TABLE 18: SUMMARY OF RECONCILIATION BETWEEN ACCOUNTING ASSETS AND EXPOSURES FOR LEVERAGE RATIO PURPOSES (EU LR1-LRSUM)

(in € millions)		12/31/2023	12/31/2022
1	**Total assets under the reported financial statements[1]**	**913,314**	**885,235**
2	Adjustment for entities consolidated from an accounting point of view but not within the scope of prudential consolidation	-119,589	-117,766
3	(Adjustment for securitized exposures that meet significant risk transfer requirements)	0	0
4	(Adjustment for temporary exemption of exposures to central banks)	0	0
5	(Adjustment for fiduciary assets recognized on the balance sheet in accordance with the applicable accounting framework but excluded from the total exposure measure under Article 429a (1)(i) of the CRR)	0	0
6	Adjustment for normalized purchases and sales of financial assets recognized at the trade date	0	0
7	Adjustment for qualifying centralized cash management system transactions	0	0
8	Adjustment for derivative financial instruments	-2,581	-3,071
9	Adjustment for securities financing transactions (SFT)	-6,576	-4,172
10	Adjustment for off-balance sheet items (resulting from the translation of off-balance sheet exposures into credit equivalent amounts)	49,501	52,357
11	(Adjustment for valuation adjustments for prudent valuation purposes and specific and general provisions deducted from Tier 1 capital)	0	0
EU-11a	(Adjustment for exposures excluded from the total exposure measure pursuant to Article 429a (1)(c) of the CRR)	-7,705	-11,518
EU-11b	(Adjustment for exposures excluded from the total exposure measure pursuant to Article 429a (1)(j) of the CRR)	-45,036	-38,252
12	Other adjustments	207	5,639
13	**TOTAL LEVERAGE RATIO EXPOSURE**	**781,535**	**771,452**

(1) *The total amount of the asset is presented in accordance with accounting standards.*

TABLE 19: BREAKDOWN OF EXPOSURES ON THE BALANCE SHEET – EXCLUDING DERIVATIVES, SFTS AND EXEMPT EXPOSURES (EU LR3-LRSPL)

	12/31/2023	12/31/2022
(in € millions)	Leverage ratio exposures under the CRR	Leverage ratio exposures under the CRR
EU-1 – TOTAL BALANCE SHEET EXPOSURES[1] OF WHICH:	**713,003**	**702,129**
EU-2 – Trading book exposures	11,198	10,318
EU-3 – Banking book exposures, of which:	701,805	691,811
EU-4 – Secured bonds	5,614	4,859
EU-5 – Exposures treated as sovereigns	134,832	149,011
EU-6 – Exposures to regional governments, multilateral development banks, international organizations, and public sector entities not considered as sovereigns	5,815	5,474
EU-7 – Institutions	15,297	15,090
EU-8 – Secured by real estate property mortgages[2]	277,849	218,630
EU-9 – Retail exposures[2]	112,442	156,967
EU-10 – Corporate exposures	106,093	104,108
EU-11 – Exposures in default	7,581	6,657
EU–12 – Other exposures (equities, securitizations and other assets unrelated to credit exposures)	36,281	31,014

(1) *Excluding derivatives, temporary sales of securities and exempt exposures.*
(2) *The ECB authorizes the group to reclassify these loans in the same exposure category as other "home loans" type loans.*

.5

5.7 CAPITAL ADEQUACY (EU OVC)

Pillar 2 establishes a prudential supervision process based on a structured dialogue between banking supervisors and financial institutions. As such, it reinforces Pillar 1, encompasses all risks potentially impacting the institution's solvency and helps to strengthen the identification, qualification, aggregation and monitoring of risks.

5.7.1 Governance and approach

The ICAAP is a key component of the solvency robustness analysis carried out by the bank and the European supervisor under the second pillar of the Basel framework. It consists of an assessment by the bank, according to its own methodologies, of the adequacy of the level of its capital with regard to its activity, all its current and future risks and its appetite for these risks. In order to deploy the ICAAP process and ensure its sound governance (in accordance with Principle 1 of the ECB ICAAP Guide), the Crédit Mutuel group has defined a general ICAAP system [1], validated by the CNCM Board of Directors, which applies to all levels of the Crédit Mutuel group and sets out the roles and responsibilities of the parties involved in the system, as well as its relationship with the Crédit Mutuel group's other operational systems.

The ICAAP approach combines two mutually complementary approaches: the normative (or regulatory) approach and the economic approach. The two approaches consider the risks to which a credit institution is exposed and its capital adequacy from different perspectives:

- the normative approach aims to ensure that the bank is able to meet the capital requirements imposed on it at all times under Pillar 1 and Pillar 2. To do this, the group projects its regulatory ratios over a three-year period according to different scenarios (central and adverse) taking into account all the effects of these scenarios on future ratios (effect on the income statement and shareholders' equity, change in RWAs, etc.). Under this approach, the impacts measured therefore relate to accounting and prudential figures and not to the group's economic value. The results are included in the three-year forecasts of regulatory capital and risks, in the central scenario and under stress conditions. The prospective stresses applied to the forecasts are based on severe but plausible macroeconomic scenarios, taking into account the group's main vulnerabilities and the current economic context. The results of the implementation of ICAAP stress tests on the key solvency indicators (particularly on earnings, capital, weighted risks, and in fine, the three-year solvency ratios) are the main basis of the capital adequacy report for the normative approach view.
  - the economic approach is based on the measurement of economic capital, which is the measure, using internal methodologies that take into account economic value considerations, of the capital requirements necessary to meet the risks faced by the group. As indicated in the ECB Guide to the ICAAP, economic capital adequacy requires that the institution's level of internal capital be sufficient to cover its risks and support its strategy at all times. The assessment of the institution should cover all categories of risks that could have a significant impact on its level of capital according to an economic approach. At the level of Crédit Mutuel Alliance Fédérale, the measurement of economic capital requirements to be allocated to risks is based primarily on methods consistent with those used to calculate regulatory capital requirements under Pillar 1, supplemented by approaches based on stress scenarios.

    The consistency of the methodologies for calculating economic allocations applied within Crédit Mutuel Alliance Fédérale, required by the ECB through principle 6.8 of the ECB Guide on the internal capital adequacy assessment process (ICAAP) is ensured as follows:

    - the institution bases the severity of the stress as much as possible on known history (example: the 2008-2009 crisis), or on situations of possible extreme stress on the risk examined,
    - it relies on this severity to build forward-looking scenarios in line with the Pillar 1 methodology applied to similar risks (in particular to determine the confidence intervals of the VaRs used, where applicable).

  In general, and in keeping with its very low risk appetite, the methodologies developed are robust and based on a high level of conservatism, at least equivalent to that used in Pillar 1 models. The assessment of the economic capital requirements to cover identified risks is thus primarily based on the internal models developed for the calculation of regulatory capital requirements (whether approved or not).

  The latter:

  - are included identically when they incorporate a stress logic. This is the case for the models developed for operational and market risks,
  - when this is not the case, the models for measuring regulatory capital requirements are stressed based on the historical data series available to Crédit Mutuel Alliance Fédérale and *via* methodologies calibrated on the basis of its risk appetite and from a forward-looking perspective: this is the case for the approach adopted for credit risks,
  - in all cases, the outstandings measured using internal models are compared with the regulatory capital requirements declared to the supervisor, (which may be measured in the standard way if the models used have not been approved).

For risks covered by the Internal Capital Adequacy Assessment Process (ICAAP) and for which there is no specific capital requirement under Pillar 1, the economic capital requirement is assessed either by extending the models used in Pillar 1 beyond the regulatory perimeter (as is the case for CVA, for example), or on the basis of the difference between a stress situation and a central scenario (as is the case for interest rate risks or sovereign spread risks).

(1) General national ICAAP system, CNCM risk department, September 2022.

By analogy with the risk aggregation method in Pillar 1, the results obtained risk by risk are added together (EBA/GL/2016/10, Section 6.2, §31.d), without taking into account any mitigating effect (such as diversification) in order to arrive at an overall economic capital requirement, compared to the projected regulatory capital stock over the envisaged timeframe. Economic capital requirements are the same as regulatory capital requirements (top quality, since they mainly consist of CET1 and reserves). When the economic assessment of stresses affects the value of the capital, the economic capital is equal to the difference between the regulatory capital and the impact of the stress on the capital, in accordance with Principle 5§68 of the ECB Guide to the internal capital adequacy assessment process (ICAAP). Each year, Crédit Mutuel Alliance Fédérale rolls out its capital adequacy assessment process according to the general national ICAAP system.

This approach is based on:

- firstly, the identification of risks and the associated risk appetite;
- secondly, the assessment of the capacity to absorb these risks on an ongoing basis through regulatory capital requirements;
- and thirdly, the determination of the economic capital to be allocated in order to face these risks;
- in order to ensure an appropriate capital structure at all times.

Following this process, Crédit Mutuel Alliance Fédérale ensures that the regulatory ratio trajectories (in the central and adverse scenarios) are in line with the alert thresholds and limits set by the Board of Directors. Economic capital is also compared to internal capital, which is intended to hedge under the assumption of business continuity. Crédit Mutuel Alliance Fédérale ensures that its economic risks are sufficiently covered by available internal capital.

The results cover the consolidated scope of Crédit Mutuel Alliance Fédérale, and the subsidiaries adapt them to their own scope. The defining of specific methodologies (particularly for areas with risks which are specific to an entity or a business line) is also requested where justified, in transparency with the national risk management bodies.

5.7.2 Stress scenarios

The stress tests are an integral part of the risk management system put in place by Crédit Mutuel Alliance Fédérale. They consist in simulating severe but plausible forward-looking scenarios (economic, financial, political, regulatory) in order to measure the bank's ability to withstand such situations. In accordance with regulatory requirements, and in line with its risk mapping, the Crédit Mutuel group has built a graduated stress test program (see EBA/GL/2018/04 Art. 48). The first level of stress severity feeds the ICAAP and ILAAP systems. This system is supplemented by stresses of greater severity as part of the recovery plan as well as by reverse stress tests (not plausible to date). The stress tests are deployed in proportion to the nature, size and complexity of the business and the risk. The stress test system is presented in a dedicated governance framework entitled "Operation of the Crédit Mutuel group's stress tests system," which is part of the ICAAP documentary database in which Crédit Mutuel Alliance Fédérale is a member.

The ICAAP normative approach aims to ensure that the bank is able to meet, at all times, all legal requirements and prudential demands concerning capital (Pillar 1 and Pillar 2) and other internal and external constraints in this area. In this context, the bank must define, in addition to the central scenario, adverse scenarios covering a prospective horizon of at least three years. The adverse scenario combines assumed adverse developments of internal and external factors and aims to assess the resilience of the bank's capital adequacy in case of adverse developments in the medium term. The assumed changes in these factors must be combined in a consistent, severe but plausible manner and reflect the risks and vulnerabilities considered to represent the most relevant threats for the bank.

In the context of this ICAAP exercise, taking into account the assessment of its risk profile, its main vulnerabilities and the macroeconomic conditions, Crédit Mutuel Alliance Fédérale has adopted an adverse scenario of the "stagflation" type. This scenario results in stressed macroeconomic forecasts, the severity of which is assessed by comparison with the forecasts of the central scenario.

At December 31, 2023, the adverse scenario combines:

- in 2024: continued high inflation, a decline in household purchasing power, an increase in business failures and a slowdown in the real estate sector; then from mid-2025, a recovery in growth is expected;
- a rate hike in 2024 guided by the ECB's need to contain this inflation;
- shocks on the financial markets (equity indices and corporate and sovereign spreads) in response to this economic shock.

This adverse scenario takes into account, on the one hand, the economic events observed in 2023, and on the other hand a prospective analysis. The stress scenario applies to the global scope, following a conglomerate approach, and impacts all the material risk factors for Crédit Mutuel Alliance Fédérale detailed below:

- credit risk: deterioration of the macroeconomic situation, directly impacting business investment, household consumption, as well as the quality of loans;
- interest rate risk: increase in key rates in 2024, decrease in 2025 and very gradual increase from 2026;
- market risk: financial market dislocation;
- insurance risk: adjustment of rates paid on policies in euros (life insurance), increase in claims due to one-off weather events (non-life insurance).

This stressed scenario is applied to the net interest margin, commissions, other items of net revenue, general operating expenses, cost of risk, credit RWAs and Insurance. The stress test methodology is applied taking into account the risk mapping, notably by analyzing the relevance of enriching the common foundation with specific scenarios related to vulnerabilities specific to the subsidiaries. In accordance with the regulatory requirements (EBA/GL/2018/04 Art. 84), Crédit Mutuel Alliance Fédérale also conducts reverse stress tests within its stress test program, sharing the same internal governance as other types of stress tests.

Through these reverse stress tests, Crédit Mutuel Alliance Fédérale measures the bank's distance from a situation placing it beyond its risk appetite, or even under administration, and determines the starting point and circumstance(s) under which the graduated risk management system put in place on the decision of the Board of Directors would require an increasingly detailed action plan in order to return to the risk appetite set by Crédit Mutuel Alliance Fédérale, and the analysis of the adequacy of its stress tests, in particular the ICAAP and ILAAP stress tests, in view of these results. Solvency reverse stress tests are carried out on the basis of capital surpluses compared to the solvency appetite in central and stressed situations.

The results of the implementation of all ICAAP stress tests on the key solvency indicators (particularly on earnings, capital, weighted risks, and *in fine*, the three-year solvency ratios) are the main basis of the capital adequacy report and form an essential tool to determine the economic capital allocations.

Finally, the results of the ICAAP are presented on a quarterly basis to the Crédit Mutuel group's key executives, demonstrating that the group has adequate capital to cover its exposure in line with its risk appetite.

5.8 CREDIT RISK

5.8.1 General qualitative information on credit risk (EU CRA)

5.8.1.1 A business model centered on retail customers

Crédit Mutuel Alliance Fédérale's primary risk is credit risk, because of its business model. That model is largely focused on the development of retail banking, with an extension to (primarily French) corporate lending since the acquisition of CIC. Since its consolidation into Crédit Mutuel Alliance Fédérale, CIC has focused its own development on individual customers, as well. The group's retail banking, coupled with the distribution of insurance products to retail customers, account for the great majority of Crédit Mutuel Alliance Fédérale's sources of revenue. 51% of Crédit Mutuel Alliance Fédérale's net outstanding customer loans consist of residential real estate loans to individuals and 63% of gross exposures on non-financial customer exposures involve retail customers.

5.8.1.2 A credit policy aimed at prudent development

The credit risk policy identifies the markets and type of financing in which each network and specialized department of Crédit Mutuel Alliance Fédérale may be involved.

It sets the lending criteria by type of customer or product, based mainly on the solvency of the borrowers and explicitly mentions the possible restrictions on the distribution of credit, either through the general policy (including specific or prohibited markets and products, "unbankable" persons, old disputes, bad ratings, etc.) or through sector policies that match the group's commitment to the environment and to financing energy transition. These policies are reviewed regularly for a further analysis of ESG (Environmental, Social and Governance) risks, primarily by incorporating into the lending process a non-financial scoring of the counterparties being studied.

This risk policy supports several objectives:

- help manage the business by keeping loan commitments within limits and in line with the group's risk appetite;
- reduce the cost of risk over the long term;
- measure capital requirements;
- provide an effective response to Basel III and to the regulations on internal control, and ensure a return on the investment made in regulatory compliance.

The risk policy is worked out within the framework of the group's risk appetite as approved by the Board of Directors of Crédit Mutuel Alliance Fédérale, by means of a system of limits and alert thresholds, particularly as to concentration of loans by borrower, by sector and by geography. These limits use the Crédit Mutuel group rating system described in the "Risk management" portion of the management report.

The risk policy is circulated through all entities in Crédit Mutuel Alliance Fédérale consolidation by means of an intranet deployed in the group's French and foreign entities.

5.8.1.3 Reinforced risk management system

In accordance with the regulations in effect, the risk management organization separates the following processes:

- granting of loans;
- assessing risks, overseeing loans and managing at-risk items.

These two functions are independent of each other and report to different management lines. The granting of loans comes under the lending department while the assessment of risks, oversight of loans and management of at-risk items comes under the risk, permanent control and compliance department.

5.8.1.3.1 Loan origination system

Loan origination is a sequence based on customer knowledge, risk assessment and the decision to lend.

Customer knowledge

Knowledge of the customer and the targeting of prospects depend on close ties with the local economic environment. The segmentation of customers into different risk categories guides the commercial prospecting. A credit file supports the decision to lend.

Risk assessment

Risk assessment is based on the analyses conducted at several stages, using formalized processes, including:

- customer ratings;
- risk groups;
- weighting of outstandings in line with the type of product and the collateral taken.

Employees receive regularly reviewed training in risk containment.

Customer rating: a single system for the whole group

In accordance with the regulations, the rating is central to the credit risk system: origination, payment, pricing and monitoring. Accordingly, all delegations of lending authority rely on rating the counterparty. As a general rule, the lending arm approves the internal rating of all applications it deals with.

Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches.

This rating system is used throughout the Crédit Mutuel group.

The definition of rating methodologies is done under the responsibility of Confédération Nationale du Crédit Mutuel (CNCM) for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working groups' assignments on specific subjects and the work related to data quality and applications acceptance tests.

The group's counterparties eligible for internal approaches are rated by a single system.

Models (algorithms or matrices) are used to differentiate and correctly classify risk. The value scale reflects the manner in which the risk changes and is broken down into nine non-default positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and three default positions (E-, E= and F).

The monitoring of the mass rating models focuses on three main aspects: stability assessment, performance assessment and additional analyses. This monitoring is conducted under the aegis of CNCM for each rating model.

Risk groups (counterparties)

A "group of related customers" means the natural persons or legal entities who are related in terms of risk because one of them holds direct or indirect control over the other(s) or because they are linked in such a way that that if one of them ran into financial difficulty, particularly financing or repayment problems, the others would experience financing or repayment problems.

The risk groups are put together based on a written procedure that includes the provision of sub-paragraph 39 of paragraph 1 of Article 4 of Regulation (EU) No. 575/2013.

Weighting of income and guarantees

To evaluate the counterparty risk, a weighting may apply to the nominal commitment. This combines the type of loan and type of collateral.

The lending decision

The lending decision is principally based on:

- a formal risk analysis of the counterparty;
- a rating of the counterparty or group of counterparties;
- the level of delegations;
- the "four eyes" principle;
- the not-to-exceed rules of the existing authorizations depending on capital;
- the yield suited to the risk profile and capital allocation.

The decision making channels are automated and managed in real time: as soon as the investigation phase of a loan request is complete, the electronic application is transmitted to the right decision making level.

Levels of delegation

Customer relationship managers are responsible for the comprehensiveness, quality and reliability of the information collected. In accordance with Article No. 107 of the Order of November 3, 2014, they prepare credit files intended to formalize all information of a qualitative and quantitative nature on each counterparty. They check the relevance of elements collected either from customers or from external tools (sector-specific reviews, annual reports, legal information, rating agencies) or internal tools made available to them. Each customer relationship manager is responsible for the decisions they make or instruct and has an *intuitu personae* delegation.

For cases for which the amount exceeds the *intuitu personae* delegations, the decision is made by a Commitments Decision Committee, for which the rules of functioning are the subject of procedures.

The delegations are based on flexible lending caps that vary according to:

- the rating;
- the total amount of loans to one counterparty or risk group, possibly weighted by the type of loan involved or by the eligible security;
- exclusions from the delegation.

Role of the lending unit

Each regional bank has a lending team, which reports directly to Executive Management and is independent of the operational departments. Its main mission is ensuring the appropriateness of lending decisions by means of the second review of credit applications and checking that the yield on the loans are in keeping with the risk.

5.8.1.3.2 System for assessing risks, monitoring credit risks and managing at-risk items

In accordance with regulatory requirements, loans are monitored by national and regional organizational units.

Risk assessment

To measure risks, Crédit Mutuel Alliance Fédérale has various tools enabling an aggregate, static and dynamic approach:

- exposure to country, business sector, counterparty or group of counterparties;
- production and outstandings according to key elements tailored to the business lines concerned (rating, market, loan products, business segment, yield).

Each commercial entity uses informational software and so can check on a daily basis that caps allocated to each of its counterparties are being respected.

Monitoring credit risks

The risk unit, along with other interested parties, contributes to the formal monitoring at least on a quarterly basis of the quality of credit risks in each business line.

The risk unit's monitoring system becomes involved independently from loan origination, as a supplement to and in coordination with other actions taken, primarily by first-tier control and permanent control teams. The objective is to detect at-risk situations as far in advance as possible, based on criteria defined by customer segment, either computer-assisted or through the relevant operating and lending managers.

Under the CRBF 93-05 Regulation, Crédit Mutuel Alliance Fédérale's bank and corporate regulatory limits of are determined according to the regulatory capital and internal ratings of counterparties.

Regulatory limits are monitored according to specific conditions (including frequencies) defined in dedicated procedures.

The monitoring of overruns and account functioning anomalies is done through advanced risk detection tools (management of debtors/sensitive risks/automatic reports in negotiated collection, etc.), based both on external and internal criteria, notably the rating and the functioning of accounts. These indicators aim to identify and deal with credit files as far in advance as possible. This detection is automated, systematic and exhaustive.

Permanent control of credit risks

Network permanent control is independent of lending. It provides second-level control of credit risks. Counterparties that show warning signals are reviewed, and entities accumulating negative indicators are identified. The objective of the control is to see that appropriate risk strategies are applied and that suitable corrective measures are taken.

In this way, extra security is added to the management of credit risk.

Management of at-risk items

A unified definition of default has been adopted for the entire Crédit Mutuel group. Based on the alignment of prudential standards on the accounting service (Regulation ANC No. 2014-07 dated November 26, 2014/Regulation (EU) No. 575/2013). It is expressed by the correspondence between the Basel concept of debt in default and the accounting concept of disputed and non-performing loans. The computer software factors in contagion, extending the downgrading to related outstandings.

Detection of at-risk items

The practice consists of comprehensively identifying receivables to be placed under "at risk items" then assigning them to the category corresponding to their situation: sensitive (non-downgraded), non-performing, irrevocable non-performing or disputed. All receivables are subject to an automated monthly identification process using internal and external indicators that have been configured in the information system. Downgrading, in accordance with the prevailing regulatory criteria, is carried out automatically.

Transition to default, provisioning, reclassification as performing

Processing the transition to default, provisioning and the reclassification as performing comply with prudential rules in force, with automation on a monthly basis, which keeps the process comprehensive. In November 2019, Crédit Mutuel Alliance Fédérale rolled out the EBA's new definition of default for all exposures approved using the internal method.

The deployment was then extended to entities using the standardized method.

Management of customers downgraded to non-performing or disputed

The counterparties concerned are managed differently according to the gravity of the situation: in the branch by the customer relationship manager or by dedicated teams specialized by market, type of counterparty or collection mode.

5.8.1.4 Relationship among the management functions for credit risk, risk monitoring, compliance assurance and internal auditing

Crédit Mutuel Alliance Fédérale is careful to separate loan writing and loan management from operational control and auditing. This separation is ensured primarily by having these functions report to different and independent departments:

- originating and managing loans, located in the group lending department;
- monitoring and controlling the risk and compliance of transactions, located in the risk, control and compliance department;
- the internal audit is located in the general inspection – network inspection division for third-level control of transactions carried out in the networks and in the general inspection – business line auditing division for third-level control of loans handled by specialized business lines.

The risk, permanent control and compliance department coordinates the credit monitoring system, mainly through the quarterly meetings of the Commitments Monitoring Committee and the At-Risk Items Committees to monitor of sensitive risks and customers in default and the monitoring of the allocation of the group's main commitments to the proper risk classes. The department, working with the lending department and the business lines concerned, suggests the alert thresholds and internal limits on credit risk and ensures that the credit risk system is operating smoothly and that executive and deliberative bodies are kept informed of risk levels. Its permanent control office performs second-level controls of credit transactions and verifies that the first-level control tasks have been properly performed by the operational staff and by the lending department.

The general inspection ensures that the entire system is operating correctly, including the second-level system carried out by the risk, permanent control and compliance department, through general or specific inspections of loans.

The credit risk, risk monitoring, compliance assurance and internal auditing management system is described in detail in Section 5.3 "Risk management."

5.8.2 Exposures

Crédit Mutuel Alliance Fédérale has focused on the most advanced forms of the Basel III Accord, beginning with its core business, retail customers.

The ACPR has authorized the group to use its internal ratings system to calculate its regulatory capital requirements in respect of credit risk:

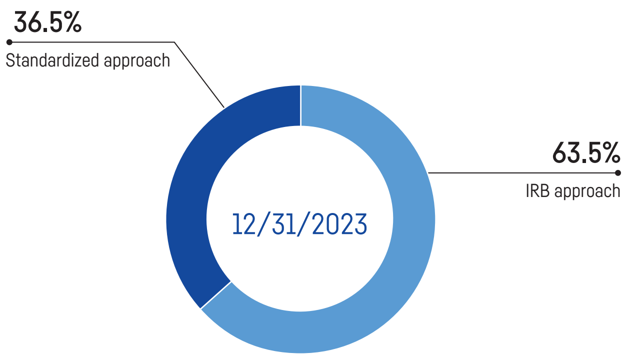
- using the advanced method, as from June 30, 2008, for the retail customer book;
- using the foundation method, as from December 31, 2008, for the banking book;
- using the advanced method, as from December 31, 2012, for the corporate and banking books;
- using the advanced method, as from March 31, 2018, for the real estate development book.

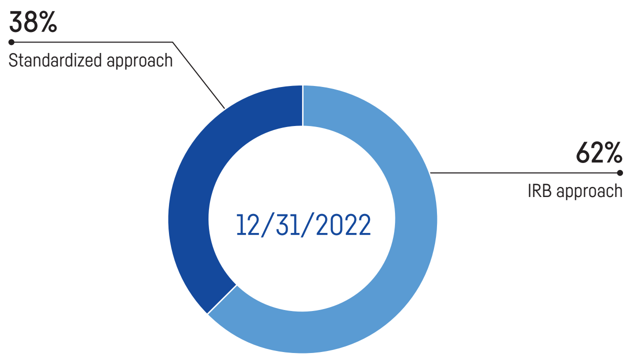
As part of the TRIM (Targeted review of internal models) exercise, the European Central Bank confirmed the authorization given to the Crédit Mutuel group for the retail customer home loan portfolio in 2018, for the retail corporate portfolio in 2019 and for the portfolios of banks and large corporate accounts in 2020. In March 2022, Crédit Mutuel, switched to the IRB-Foundation method for its large corporate portfolios and banks.

As part of the roll-out plan (transitioning to the IR method), the projects of using the advanced method throughout the factoring subsidiaries of the Crédit Mutuel group in France, Cofidis France, Beobank in Belgium and TARGOBANK AG are well under way. The latter entities represent 9% of the Institutions, Corporate and Retail Customers regulatory books.

The percentage of exposures approved under the internal rating method for the Institutions, Corporate and Retail Customers regulatory books was 79% as of December 31, 2023.

GRAPH 14: SHARE OF GROSS EXPOSURES UNDER THE ADVANCED AND STANDARDIZED METHODS





5.8.3 Credit quality of assets

5.8.3.1 Impaired and overdue exposures (EU CRB-a)

A unified definition of default has been adopted for the entire Crédit Mutuel group. Based on the principle of aligning prudential information with accounting information (CRC 2002-03), this definition matches the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. The computer software factors in contagion, extending the downgrading to related outstandings. The controls carried out by internal audit and by the statutory auditors ensure the reliability of the procedures for identifying defaults used to calculate capital requirements.

Since November 2019, Crédit Mutuel Alliance Fédérale has been applying the new definition of regulatory default in accordance with EBA guidelines and the regulations' technical standards on applicable materiality thresholds.

The main developments related to the implementation of this new definition are the following:

- the analysis of the default now focuses on the borrower rather than on the contract;
- the number of days of unpaid or late installments is appraised for each creditor (obligor) or group of creditors (joint obligors) in the case of a joint commitment;
- the default is triggered after 90 consecutive days of unpaid or late installments on the part of an obligor or joint obligors. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 Retail, €500 Corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The countdown is reset when this is no longer the case for one of the two thresholds;
- the default contagion scope extends to all receivables of the creditors, and all individual commitments of creditors participating in a joint credit obligation;
- the minimum probation period is three months before the return of non-restructured assets to a performing loan status.

Crédit Mutuel Alliance Fédérale has opted to roll out the new definition of default using the EBA's two-step approach:

- step 1 – this consists in presenting a self-assessment and an authorization request to the supervisor. Crédit Mutuel Alliance Fédérale obtained a deployment agreement in October 2019;
- step 2 – this consists in implementing the new definition of default, and then adjusting the models after an observation period of 12 months for new defaults.

Crédit Mutuel Alliance Fédérale deems that the new definition of default, as laid down by the EBA, is representative of an objective proof of impairment in accounting terms. The group has aligned its definitions of accounting (stage 3) and prudential default.

The definitions and financial information concerning payment arrears are provided in the part of the financial report titled "Payment arrears".

5.8.3.2 Impairment for credit risk (EU CRB-c)

IFRS 9 went into mandatory effect on January 1, 2018 and replaced IAS 39 – Financial instruments: Recognition and Measurement. It laid out new rules in terms of:

- classification and measurement of financial instruments (phase 1);
- impairment of the credit risk of financial assets (phase 2) and;
- hedge accounting, apart from macro-hedging transactions (phase 3).

It should be noted that Crédit Mutuel Alliance Fédérale does not apply the transitional arrangements related to IFRS 9 (own funds, capital ratios and leverage ratios that already reflect the total impact of IFRS 9).

Pursuant to IFRS 9, Crédit Mutuel Alliance Fédérale divides all debt instruments measured at amortized cost or at fair value through equity into three categories:

- stage 1: provisioned on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) as from initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2: provisioned on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3: category comprising non-performing or litigious financial assets for which there is objective evidence of impairment related to an event that has occurred since the loan was granted; this category is equivalent to the scope of outstandings formerly individually impaired under IAS 39.

Consequently and in accordance with the position of the EBA, all the group's write-downs for credit risk are the result of specific impairments.

Definition of the boundary between stages 1 and 2

Crédit Mutuel Alliance Fédérale uses models developed for regulatory purposes and so segregates its outstandings in that manner:

- Low Default Portfolios (LDPs);
- High Default Portfolios (HDPs).

A significant increase in credit risk, which entails transferring a loan out of stage 1 into stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, where the Crédit Mutuel group counterparty rating system is common to the entire group.

All of the group's counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis.

Unlike stage 3, transferring a customer's contract into stage 2 does not entail transferring all of the customer's outstanding loans or those of related parties (absence of contagion).

It should be noted that the group immediately puts into stage 1 any performing exposure that no longer meets the criteria for stage 2 classification (both qualitative and quantitative).

Quantitative criteria

For the LDP portfolio, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the less the relative tolerance of the group toward significant deterioration of the risk.

For the HDP portfolio, the criteria for assessing the significant increase in credit risk have changed in accordance with the recommendations issued by the European Banking Authority and the European Central Bank. In accordance with these new criteria, the group has opted for the operational simplification proposed by the standard, which allows low-risk loans at the closing date to be maintained in stage 1 as long as the following three conditions are met:

- the financial asset has a low risk of default;
- the borrower demonstrates a strong ability to meet their short-term contractual cash flow obligations;
- this ability of the borrower to meet their short-term contractual obligations is not necessarily impaired by adverse changes in longer-term economic and business conditions.

The credit risk is presumed to have increased significantly when the probability of default of the instrument has either been multiplied by at least three times or increased by 400 bp since origination. Lastly, the boundary curve formula, which relates the probability of default at inception to the probability of default at the closing date, has been revised to better reflect the prospective dimension within HDPs.

Qualitative criteria

To this qualitative data, the group adds qualitative criteria such as installments unpaid or late by more than 30 days, the fact that a loan has been restructured, etc.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized method and do not have a rating system.

Stages 1 and 2 – Calculating expected losses

Expected credit losses are measured by multiplying the outstanding balance present-discounted at the contract rate by its probability of default (PD) and by the loss given default (LGD) ratio. The off-balance sheet exposure is converted to a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for stage 1, while the probability of default at termination (one-to-ten year curve) is used for stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for to assign loans to a stage and to calculate expected losses.

Probability of default

This is based:

- for high default portfolios, on the models approved under the IRB-A approach;
- for low default portfolios, on an external probability of default scale based; on a history dating back over 30 years.

Loss given default

This is based:

- for high default portfolios, on the basis of cash flows observed over a long period of time, discounted at the interest rates of the contracts, segmented according to types of products and types of guarantees;
- for low default portfolios, on fixed ratios (60% for sovereign and local authorities and 40% for the rest).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes and relating these anticipated changes to the risk parameters. This forward-looking aspect is determined at the group level and applies to all the parameters.

For portfolios with a high default rate, the forward-looking dimension included in the probability of default combines three scenarios – optimistic, neutral and pessimistic – which are weighted to reflect the group's five-year forecast of the business cycle, approved by the Chief Executive Officers of the regional groups and of the Crédit Mutuel group. These scenarios are developed by the group's economists, taking into account macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) published by the institutions (IMF, World Bank, ECB, OECD). The weightings reflect the economic cycle forecast by the Crédit Mutuel group's economists. The weighting to be attributed to the scenario used to calculate expected credit losses is set at a minimum of 50% for the central scenario, and the weighting of the two alternative scenarios is defined according to the economic cycle anticipated by the group's economists. The weightings are updated at least every six months. The forward-looking approach is adjusted to include elements that were not captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters and whose impact can be measured by making certain assumptions.

The forward-looking dimension over different time horizons other than one year will largely be a function of the one-year dimension.

For low default portfolios, forward-looking information is incorporated into large corporate/bank models, and not into local government, sovereign and specialized financing models.

Stage 3 – Non-performing loans

In stage 3, impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans has been made that might generate a loss. An analysis is done at each closing contract by contract. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

Model and post-model adjustment

The calculation of expected losses takes into account a model adjustment, the objective of which is to reduce the positive effect of government support measures (SGLs and/or moratoriums) on the assessment of customer credit risk. As of December 31, 2023, Crédit Mutuel Alliance Fédérale also rolled out specific post-model adjustments:

- the first makes it possible to strengthen the forward-looking dimension of the model given the strong macroeconomic uncertainties resulting from the current economic situation;
- the second is a sector adjustment. It is used to supplement the level of provisioning for those sectors most exposed to the risks of climate transition and/or the effects of current crises, and which represent material exposures in terms of the group's business model.

5.8.3.3 Exposures covered by a State guarantee in the context of the health crisis

As part of the government scheme to support the economy in response to the COVID-19 health crisis, the State guarantee covers a percentage of the amount of the principal, interest and ancillaries remaining due on the receivable until the end of its term, unless it is called beforehand during a credit event. This percentage varies from 70% to 90%.

Given the composition of the portfolio, which is mainly geared toward microenterprises/SMEs, most of the SGLs distributed as of December 31, 2023 benefit from a State guarantee of up to 90%.

TABLE 20: CREDIT QUALITY OF STATE-GUARANTEED LOANS

Following the repeal of the EBA guidelines relating to the monitoring of the consequences on the credit of COVID-19 (EBA/GL/2020/07), on December 16, 2022, the table is no longer expected.

5.8.3.4 Exposures subject to a legal moratorium in the context of the health crisis

Crédit Mutuel Alliance Fédérale applies the EBA guidelines concerning legislative and non-legislative moratoriums on loan repayments applied due to the COVID-19 pandemic (EBA/GL/2020/02).

The guidelines apply from April 2, 2020. This measure was introduced for the first time for three months and then extended to September 2020 and finally renewed from December 2020 until March 2021.

During the first wave of COVID-19, Crédit Mutuel Alliance Fédérale chose to massively support its corporate and professional customers by granting automatic extensions of maturities.

TABLE 21: CREDIT QUALITY OF LOANS AND ADVANCES SUBJECT TO MORATORIUMS ON LOAN REPAYMENTS APPLIED DUE TO THE COVID-19 PANDEMIC

Following the repeal of the EBA guidelines relating to the monitoring of the consequences on the credit of COVID-19 (EBA/GL/2020/07), on December 16, 2022, the table is no longer expected.

TABLE 22: VOLUME OF LOANS AND ADVANCES SUBJECT TO STATUTORY AND NON-LEGISLATIVE MORATORIUM BY RESIDUAL MATURITY

Following the repeal of the EBA guidelines relating to the monitoring of the consequences on the credit of COVID-19 (EBA/GL/2020/07), on December 16, 2022, the table is no longer expected.

5.8.3.5 Restructured exposures (EU CRB-d)

An exposure is restructured after a debtor encounters financial difficulties. This takes the form of concessions made to the debtor by the group, *e.g.* changing the terms of the loan agreement such as the interest rate or the maturity, partial forgiveness or additional financing that would not have been granted in absence of the difficulties. In its information systems Crédit Mutuel Alliance Fédérale has ways to identify the restructured exposures in its performing and non-performing books. The concept of restructured loans is governed by a certain number of regulatory requirements:

- EBA forbearance guidelines of March 2015;
- implementing Regulation (EU) 2017/1443;
- ECB guidelines on non-performing loans of March 2017;
- guidelines on the management of non-performing exposures and restructured exposures EBA of October 31, 2018 ref EBA/GL/2018/06.

Restructuring does not automatically mean classification in default (stage 3) but does mean classification in stage 2, at least.

The tables below break down the outstanding receivables and related provisions at December 31, 2023 according to their sector of activity or type of counterparty, their Basel treatment method and their geographic area.

TABLE 23: MATURITY OF NET ON- AND OFF-BALANCE SHEET EXPOSURES (EU CR1-A)

12/31/2023 *(in € millions)*	Net value of exposures					
	Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No maturity stated	Total
Loans and advances	191,971	107,606	227,226	292,378	11,500	830,680
Debt securities	1,099	4,645	15,315	12,187	17,156	50,402
TOTAL	**193,070**	**112,251**	**242,541**	**304,565**	**28,656**	**881,082**

12/31/2022 *(in € millions)*	Net value of exposures					
	Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No maturity stated	Total
Loans and advances	203,536	109,989	228,080	281,244	1,691	824,539
Debt securities	1,042	4,467	13,945	10,363	14,121	43,938
TOTAL	**204,578**	**114,456**	**242,025**	**291,607**	**15,811**	**868,477**

TABLE 24: CREDIT QUALITY OF FORBORNE EXPOSURES (EU CQ1)

	Gross restructured performing loans				Total write-downs, total changes in fair value of credit risk and provisions		Collateral and financial guarantees received on restructured exposure	
		Restructured non-performing loans						
12/31/2023 *(in € millions)*	Gross restructured performing loans		Of which defaulted	Of which impaired	On performing exposures benefiting from restructuring measures	Total on non-performing loans		Collateral and financial guarantees received on non-performing exposures with restructuring measures
Demand accounts with central banks and other demand deposits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances	**2,183**	**3,891**	**3,891**	**3,891**	**-172**	**-1,631**	**2,726**	**1,412**
Central banks	0	0	0	0	0	0	0	0
Public administration	3	4	4	4	0	-1	3	3
Credit institutions	6	0	0	0	0	0	0	0
Other financial corporations	99	98	98	98	-6	-75	96	19
Non-financial corporations	1,194	1,879	1,879	1,879	-52	-656	1,901	1,046
Households	880	1,909	1,909	1,909	-114	-900	725	344
Debt instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loan commitments given	**43**	**100**	**100**	**100**	**-4**	**0**	**46**	**0**
TOTAL	**2,226**	**3,991**	**3,991**	**3,991**	**-176**	**-1,631**	**2,772**	**1,412**

	Gross carrying amount/ nominal amount of restructured exposure				Accumulated impairment and negative fair value associated with credit risk			Collateral and financial guarantees received on restructured exposure
		Non-performing loans						
12/31/2022 *(in € millions)*	Performing loans		Of which loans in default	Of which impaired loans	On restructured performing loans	On restructured non-performing loans		Of which collateral and guarantees on restructured exposure
Demand accounts with central banks and other demand deposits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances	**2,547**	**3,489**	**3,489**	**3,489**	**-196**	**-1,432**	**2,838**	**1,320**
Central banks	0	0	0	0	0	0	0	0
Public administration	2	5	5	5	0	-1	5	4
Credit institutions	2	0	0	0	0	0	0	0
Other financial corporations	67	85	85	85	-6	-68	64	16
Non-financial corporations	1,378	1,672	1,672	1,672	-56	-529	1,962	976
Households	1,098	1,726	1,726	1,726	-133	-834	807	324
Debt instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loan commitments given	**36**	**75**	**75**	**75**	**-1**	**0**	**27**	**0**
TOTAL	**2,583**	**3,564**	**3,564**	**3,564**	**-196**	**-1,432**	**2,866**	**1,320**

TABLE 25: QUALITY OF RENEGOTIATION (FORBEARANCE) (EU CQ2)

Crédit Mutuel Alliance Fédérale's NPE rate does not exceed the 5% threshold, so this table has not been produced.

TABLE 26: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY REMAINING MATURITY (EU CQ3)

12/31/2023 *(in € millions)*	Gross carrying amount/nominal amount											
	Performing loans			Non-performing loans								
		No arrears or in arrears ≤ 30 days	In arrears > 30 days ≤ 90 days		Probability of arrears or in arrears ≤ 90 days	In arrears > 90 days ≤ 180 days	In arrears > 180 days ≤ 1 year	In arrears > 1 year	In arrears > 2 years ≤ 5 years	In arrears > 5 years ≤ 7 years	In arrears > 7 years	Of which loans in default
Demand accounts with central banks and other demand deposits	**100,932**	**100,932**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances	**581,597**	**579,377**	**2,219**	**15,133**	**4,212**	**1,046**	**1,543**	**4,454**	**2,158**	**433**	**1,286**	**15,133**
Central banks	19	19	0	0	0	0	0	0	0	0	0	0
Public administration	7,240	7,172	68	21	10	1	3	2	0	4	0	21
Credit institutions	60,453	60,447	6	6	4	1	0	1	1	0	0	6
Other financial corporations	17,575	17,558	18	199	59	5	9	40	69	9	8	199
Non-financial corporations	251,148	249,793	1,355	8,596	2,572	426	649	3,172	761	242	774	8,596
Of which: SMEs	211,994	210,991	1,003	7,338	1,956	356	579	2,779	656	241	770	7,338
Households	245,161	244,388	772	6,311	1,567	613	882	1,241	1,328	178	504	6,311
Debt instruments	**42,346**	**42,346**	**0**	**98**	**98**	**0**	**0**	**0**	**0**	**0**	**0**	**98**
Central banks	1,664	1,664	0	0	0	0	0	0	0	0	0	0
Public administration	17,726	17,726	0	0	0	0	0	0	0	0	0	0
Credit institutions	11,627	11,627	0	1	1	0	0	0	0	0	0	1
Other financial corporations	9,497	9,497	0	2	2	0	0	0	0	0	0	2
Non-financial corporations	1,832	1,832	0	95	95	0	0	0	0	0	0	95
Off-balance sheet commitments	**152,624**	**-**	**-**	**570**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**570**
Central banks	7	-	-	0	-	-	-	-	-	-	-	0
Public administration	3,889	-	-	0	-	-	-	-	-	-	-	0
Credit institutions	41,500	-	-	47	-	-	-	-	-	-	-	47
Other financial corporations	4,246	-	-	4	-	-	-	-	-	-	-	4
Non-financial corporations	75,323	-	-	471	-	-	-	-	-	-	-	471
Households	27,660	-	-	48	-	-	-	-	-	-	-	48
TOTAL	**877,500**	**722,656**	**2,219**	**15,800**	**4,310**	**1,046**	**1,543**	**4,454**	**2,158**	**433**	**1,286**	**15,800**

12/31/2022 *(in € millions)*	Gross carrying amount/nominal amount											
	Performing loans			Non-performing loans								
		No arrears or in arrears ≤ 30 days	In arrears > 30 days ≤ 90 days		Probability of arrears or in arrears ≤ 90 days	In arrears > 90 days ≤ 180 days	In arrears > 180 days ≤ 1 year	In arrears > 1 year	In arrears > 2 years ≤ 5 years	In arrears > 5 years ≤ 7 years	In arrears > 7 years	Of which loans in default
Demand accounts with central banks and other demand deposits	**115,106**	**115,106**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances	**550,945**	**548,970**	**1,975**	**13,181**	**3,540**	**844**	**1,039**	**3,811**	**2,165**	**470**	**1,312**	**13,181**
Central banks	470	470	0	0	0	0	0	0	0	0	0	0
Public administration	6,876	6,792	84	31	19	1	1	2	7	0	0	31
Credit institutions	51,577	51,567	11	3	1	0	0	1	1	0	0	3
Other financial corporations	11,825	11,815	10	174	21	4	4	60	70	6	9	174
Non-financial corporations	244,831	243,548	1,282	7,334	2,150	357	310	2,706	754	270	786	7,334
Of which: SMEs	*203,877*	*202,982*	*895*	*6,078*	*1,561*	*307*	*283*	*2,331*	*544*	*269*	*782*	*6,078*
Households	235,365	234,778	587	5,639	1,349	482	724	1,041	1,334	193	516	5,639
Debt instruments	**38,681**	**38,679**	**2**	**93**	**93**	**0**	**0**	**0**	**0**	**0**	**0**	**93**
Central banks	1,081	1,081	0	0	0	0	0	0	0	0	0	0
Public administration	16,537	16,537	0	0	0	0	0	0	0	0	0	0
Credit institutions	10,174	10,174	0	1	1	0	0	0	0	0	0	1
Other financial corporations	9,164	9,164	0	2	2	0	0	0	0	0	0	2
Non-financial corporations	1,725	1,723	2	91	91	0	0	0	0	0	0	91
Off-balance sheet commitments	**167,134**	**-**	**-**	**544**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**544**
Central banks	13	-	-	0	-	-	-	-	-	-	-	0
Public administration	3,246	-	-	0	-	-	-	-	-	-	-	0
Credit institutions	55,100	-	-	87	-	-	-	-	-	-	-	87
Other financial corporations	2,775	-	-	3	-	-	-	-	-	-	-	3
Non-financial corporations	76,746	-	-	400	-	-	-	-	-	-	-	400
Households	29,254	-	-	53	-	-	-	-	-	-	-	53
TOTAL	**871,866**	**702,755**	**1,977**	**13,818**	**3,634**	**844**	**1,039**	**3,811**	**2,165**	**470**	**1,312**	**13,818**

TABLE 27: CREDIT QUALITY OF EXPOSURES BY GEOGRAPHIC AREA (EU CQ4)

12/31/2023 *(in € millions)*	Total outstandings/gross nominal amount				Accumulated impairment	Impairment of off-balance sheet commitments and financial guarantees given	Cumulative negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing loans		Of which loans subject to impairment			
			Of which loans in default				
Balance sheet exposure	**639,173**	**15,230**	**15,230**	**638,114**	**-10,195**	**-**	**0**
France	506,878	10,679	10,679	506,028	-6,377	-	0
Germany	39,193	1,985	1,985	39,177	-2,081	-	0
Belgium	13,688	600	600	13,619	-455	-	0
United States of America	11,407	61	61	11,404	-51	-	0
Switzerland	11,199	432	432	11,190	-118	-	0
Luxembourg	10,701	148	148	10,650	-72	-	0
United Kingdom	4,904	63	63	4,899	-21	-	0
Spain	4,302	329	329	4,294	-352	-	0
Ireland	3,751	17	17	3,748	-7	-	0
Italy	3,695	159	159	3,687	-157	-	0
Singapore	3,497	1	1	3,497	-1	-	0
Portugal	3,413	361	361	3,413	-321	-	0
The Netherlands	2,963	10	10	2,948	-7	-	0
Japan	2,552	58	58	2,552	-10	-	0
Asia	2,352	1	1	2,352	-3	-	0
Canada	2,280	5	5	2,268	-4	-	0
Other countries	12,398	320	320	12,387	-159	-	0
Off-balance sheet exposure	**153,194**	**570**	**570**	**0**	**0**	**447**	**0**
France	124,093	546	546	0	0	371	0
United States of America	5,183	0	0	0	0	3	0
Germany	3,826	7	7	0	0	31	0
Switzerland	3,385	1	1	0	0	5	0
Belgium	2,632	7	7	0	0	4	0
Luxembourg	2,047	7	7	0	0	11	0
United Kingdom	1,980	0	0	0	0	4	0
The Netherlands	1,417	0	0	0	0	1	0
Ireland	1,384	0	0	0	0	0	0
Singapore	1,167	0	0	0	0	1	0
Australia	1,093	0	0	0	0	1	0
Spain	1,079	0	0	0	0	0	0
Other countries	3,908	2	2	0	0	17	0
TOTAL	**792,367**	**15,800**	**15,800**	**638,114**	**-10,195**	**447**	**0**

Countries with on-balance sheet or off-balance sheet exposures of less than €1 billion are included in the "Other countries" line.

12/31/2022 *(in € millions)*	Total outstandings/gross nominal amount	Of which non-performing loans	Of which loans in default	Of which loans subject to impairment	Accu-mulated impairment	Impairment of off-balance sheet commitments and financial guarantees given	Cumulative negative changes in fair value due to credit risk on non-performing exposures
Balance sheet exposure	**602,900**	**13,274**	**13,274**	**602,116**	**-9,659**	**-**	**0**
France	482,549	9,371	9,371	481,837	-6,130	-	0
Germany	33,949	1,805	1,805	33,949	-1,957	-	0
Belgium	12,692	621	621	12,657	-474	-	0
Switzerland	10,408	293	293	10,408	-99	-	0
United States of America	10,089	50	50	10,085	-54	-	0
Luxembourg	8,899	41	41	8,885	-52	-	0
United Kingdom	4,744	44	44	4,744	-24	-	0
Spain	4,101	272	272	4,101	-311	-	0
Singapore	3,408	0	0	3,408	-1	-	0
Portugal	3,362	290	290	3,362	-281	-	0
Ireland	3,345	22	22	3,345	-7	-	0
Italy	3,339	111	111	3,339	-125	-	0
The Netherlands	2,563	6	6	2,563	-7	-	0
Canada	2,539	6	6	2,524	-6	-	0
Australia	1,974	1	1	1,974	-3	-	0
Japan	1,863	70	70	1,863	-11	-	0
Hong Kong	1,448	0	0	1,448	-1	-	0
Sweden	1,021	1	1	1,021	-2	-	0
Other countries	10,606	271	271	10,602	-115	-	0
Off-balance sheet exposure	**167,677**	**544**	**544**	**0**	**0**	**399**	**0**
France	139,629	521	521	-	-	336	-
Germany	5,402	7	7	-	-	32	-
United States of America	4,105	0	0	-	-	3	-
Switzerland	3,249	2	2	-	-	3	-
Belgium	2,500	8	8	-	-	3	-
Luxembourg	2,294	1	1	-	-	3	-
United Kingdom	1,739	0	0	-	-	6	-
Spain	1,588	3	3	-	-	0	-
The Netherlands	1,387	0	0	-	-	1	-
Other countries	5,784	2	2	-	-	11	-
TOTAL	**770,578**	**13,818**	**13,818**	**602,116**	**-9,659**	**399**	**0**

Countries with on-balance sheet or off-balance sheet exposures of less than €1 billion are included in the "Other countries" line.

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TABLE 28: CREDIT QUALITY OF LOANS AND ADVANCES GRANTED TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (EU CQ5)

12/31/2023 *(in € millions)*	Gross carrying amount				Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	9,252	297	297	9,252	-165	0
Extractive industries	591	17	17	591	-8	0
Manufacturing industry	17,262	886	886	17,262	-432	0
Production and distribution of electricity, gas, steam and air conditioning	3,203	51	51	3,203	-29	0
Water production and distribution	1,229	29	29	1,229	-19	0
Construction	13,224	817	817	13,224	-412	0
Retail	22,072	1,166	1,166	22,072	-673	0
Transport and storage	9,659	218	218	9,657	-113	0
Accommodation and catering	6,193	569	569	6,193	-272	0
Information and communication	3,924	148	148	3,924	-66	0
Financial and insurance activities	14,785	556	556	14,785	-339	0
Real estate activities	84,583	1,574	1,574	84,583	-845	0
Professional, scientific and technical activities	23,508	1,047	1,047	23,508	-510	0
Administrative and support services activities	8,709	297	297	8,709	-177	0
Public administration and defense, compulsory social security	140	0	0	140	0	0
Teaching	1,837	40	40	1,837	-23	0
Human health and social action	10,814	137	137	10,814	-103	0
Arts, entertainment and recreational activities	1,570	81	81	1,570	-42	0
Other services	27,188	665	665	27,188	-418	0
TOTAL	**259,744**	**8,596**	**8,596**	**259,742**	**-4,646**	**0**

12/31/2022 *(in € millions)*	Total outstandings				Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing loans	Of which non-performing loans in default	Of which total loans subject to impairment		
Agriculture, forestry and fishing	8,872	306	306	8,872	-186	0
Extractive industries	556	2	2	556	-2	0
Manufacturing industry	18,655	839	839	18,655	-378	0
Production and distribution of electricity, gas, steam and air conditioning	2,970	45	45	2,970	-29	0
Water production and distribution	1,085	24	24	1,085	-16	0
Construction	13,851	600	600	13,851	-346	0
Retail	22,527	1,098	1,098	22,527	-642	0
Transport and storage	8,883	261	261	8,881	-119	0
Accommodation and catering	6,228	513	513	6,228	-250	0
Information and communication	3,933	100	100	3,933	-58	0
Financial and insurance activities	14,104	335	335	14,104	-261	0
Real estate activities	79,849	1,338	1,338	79,849	-877	0
Professional, scientific and technical activities	21,950	828	828	21,950	-396	0
Administrative and support services activities	8,285	304	304	8,285	-172	0
Public administration and defense, compulsory social security	140	0	0	140	-1	0
Teaching	1,768	36	36	1,768	-24	0
Human health and social action	10,442	112	112	10,442	-110	0
Arts, entertainment and recreational activities	1,535	74	74	1,535	-43	0
Other services	26,531	517	517	26,531	-367	0
TOTAL	**252,164**	**7,334**	**7,334**	**252,162**	**-4,276**	**0**

TABLE 29: MEASUREMENT OF COLLATERAL: LOANS AND ADVANCES (EU CQ6)

Crédit Mutuel Alliance Fédérale's NPE rate does not exceed the threshold of 5%, so this table has not been produced.

TABLE 30: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES (EU CQ7)

	12/31/2023		12/31/2022	
	Collateral obtained by taking possession (accumulated)			
(in € millions)	Value at initial recognition	Cumulative negative change	Value at initial recognition	Cumulative negative change
Property, plant and equipment	0	0	0	0
Other than property, plant and equipment	16	-2	18	-2
Residential real estate property	*16*	*-2*	*18*	*-2*
Commercial property	*0*	*0*	*0*	*0*
Real estate property	*0*	*0*	*0*	*0*
Equity and debt instruments	*0*	*0*	*0*	*0*
Other	*0*	*0*	*0*	*0*
TOTAL	**16**	**-2**	**18**	**-2**

TABLE 31: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION: BREAKDOWN BY ISSUE DATE (EU CQ8)

Crédit Mutuel Alliance Fédérale's NPE rate does not exceed the threshold of 5%, so this table has not been produced.

TABLE 32: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (EU CR1)

	Gross carrying amount/nominal amount						Accumulated impairment and negative adjustment of fair value attributable to credit risk							Collateral and financial guarantees received	
	Performing loans			Non-performing loans			Accumulated impairment and adjustment of fair value on performing loans			Accumulated impairment and adjustment of fair value on non-performing loans					
12/31/2023 *(in € millions)*		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Partial cumulative reversals	On performing loans	On non-performing loans
Demand accounts with central banks and other demand deposits	**100,932**	**100,678**	**254**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**24**	**0**
Loans and advances	**581,597**	**548,561**	**32,915**	**15,133**	**0**	**14,865**	**-3,092**	**-1,494**	**-1,592**	**-7,013**	**0**	**-6,949**	**0**	**317,479**	**5,076**
Central banks	19	19	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	7,240	7,094	146	21	0	17	-4	-1	-3	-3	0	-3	0	1,158	6
Credit institutions	60,453	60,449	5	6	0	6	-2	-2	0	-1	0	-1	0	1,525	1
Other financial corporations	17,575	16,818	742	199	0	198	-49	-28	-21	-126	0	-126	0	8,610	64
Non-financial corporations	251,148	233,096	17,972	8,596	0	8,375	-1,266	-508	-756	-3,379	0	-3,330	0	167,853	3,970
Of which: small- and medium-sized enterprises	211,994	196,777	15,140	7,338	0	7,137	-1,047	-403	-643	-2,888	0	-2,842	0	151,081	3,367
Households	245,161	231,085	14,050	6,311	0	6,269	-1,771	-955	-813	-3,503	0	-3,490	0	138,333	1,035
Debt instruments	**42,346**	**41,290**	**14**	**98**	**0**	**98**	**-22**	**-21**	**-1**	**-71**	**0**	**-68**	**0**	**0**	**0**
Central banks	1,664	1,664	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	17,726	17,726	0	0	0	0	-6	-6	0	0	0	0	0	0	0
Credit institutions	11,627	11,498	0	1	0	1	-3	-3	0	-1	0	-1	0	0	0
Other financial corporations	9,497	9,230	1	2	0	2	-10	-10	0	-1	0	-1	0	0	0
Non-financial corporations	1,832	1,171	13	95	0	95	-3	-2	-1	-70	0	-67	0	0	0
Off-balance sheet outstandings	**152,624**	**150,021**	**2,602**	**570**	**0**	**493**	**-260**	**-153**	**-107**	**-186**	**0**	**-186**	**-**	**22,421**	**169**
Central banks	7	7	0	0	0	0	0	0	0	0	0	0	-	0	0
Public administration	3,889	3,886	3	0	0	0	0	0	0	0	0	0	-	531	0
Credit institutions	41,500	41,180	320	47	0	47	-5	-3	-2	-38	0	-38	-	131	4
Other financial corporations	4,246	4,173	74	4	0	4	-10	-7	-3	-1	0	-1	-	783	1
Non-financial corporations	75,323	73,968	1,354	471	0	396	-220	-122	-98	-145	0	-145	-	16,245	145
Households	27,660	26,808	852	48	0	47	-26	-21	-5	-2	0	-2	-	4,732	19
TOTAL	**877,500**	**840,550**	**35,785**	**15,800**	**0**	**15,456**	**-3,374**	**-1,668**	**-1,701**	**-7,271**	**0**	**-7,204**	**0**	**339,925**	**5,245**

The Crédit Mutuel group applies local law and write-offs are only recorded once all rights of recovery have been extinguished.

12/31/2022 *(in € millions)*	Gross carrying amount/nominal amount						Accumulated impairment and negative adjustment of fair value attributable to credit risk						Partial cumulative reversals	Collateral and financial guarantees received	
	Performing loans			Non-performing loans			Accumulated impairment and adjustment of fair value on performing loans			Accumulated impairment and adjustment of fair value on non-performing loans				On performing loans	On non-performing loans
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Demand accounts with central banks and other demand deposits	**115,106**	**114,638**	**469**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**0**
Loans and advances	**550,945**	**516,358**	**34,495**	**13,181**	**0**	**12,844**	**-3,296**	**-1,546**	**-1,745**	**-6,278**	**0**	**-6,214**	**0**	**308,100**	**4,262**
Central banks	470	470	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	6,876	6,773	103	31	0	26	-4	-1	-2	-4	0	-4	0	1,229	15
Credit institutions	51,577	51,560	17	3	0	3	-4	-3	-1	-1	0	-1	0	838	1
Other financial corporations	11,825	10,996	817	174	0	172	-43	-24	-19	-105	0	-104	0	7,462	64
Non-financial corporations	244,831	223,655	21,127	7,334	0	7,041	-1,380	-513	-865	-2,896	0	-2,846	0	162,867	3,297
Of which: SMEs	203,877	185,545	18,287	6,078	0	5,824	-1,123	-389	-732	-2,466	0	-2,420	0	142,457	2,740
Households	235,365	222,904	12,430	5,639	0	5,603	-1,867	-1,005	-858	-3,271	0	-3,259	0	135,704	885
Debt instruments	**38,681**	**37,884**	**27**	**93**	**0**	**93**	**-21**	**-20**	**-1**	**-64**	**0**	**-64**	**0**	**0**	**0**
Central banks	1,081	1,081	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	16,537	16,537	0	0	0	0	-5	-5	0	0	0	0	0	0	0
Credit institutions	10,174	10,147	0	1	0	1	-3	-3	0	-1	0	-1	0	0	0
Other financial corporations	9,164	9,150	1	2	0	2	-11	-11	0	-1	0	-1	0	0	0
Non-financial corporations	1,725	969	26	91	0	91	-2	-1	-1	-62	0	-62	0	0	0
Off-balance sheet commitments	**167,134**	**163,425**	**3,708**	**544**	**0**	**533**	**-244**	**-142**	**-102**	**-156**	**0**	**-156**	**0**	**25,397**	**119**
Central banks	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	3,246	3,244	2	0	0	0	0	0	0	0	0	0	0	696	0
Credit institutions	55,100	54,240	860	87	0	87	-9	-3	-6	-18	0	-18	0	127	3
Other financial corporations	2,775	2,691	84	3	0	3	-9	-7	-2	-2	0	-2	0	529	1
Non-financial corporations	76,746	74,756	1,990	400	0	392	-199	-111	-87	-134	0	-134	0	17,653	96
Households	29,254	28,481	773	53	0	52	-27	-21	-6	-2	0	-2	0	6,392	20
TOTAL	**871,866**	**832,306**	**38,699**	**13,818**	**0**	**13,471**	**-3,561**	**-1,708**	**-1,847**	**-6,498**	**0**	**-6,434**	**0**	**333,503**	**4,381**

TABLE 33: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (EU CR2)

(in € millions)	12/31/2023	12/31/2022
Initial stock of non-performing loans and advances	**13,181**	**11,723**
Additions to non-performing portfolios	6,160	6,178
Exits from non-performing portfolios	-4,208	-4,720
Exits due to losses	*-915*	*-1,392*
Exits due to other reasons	*-3,294*	*-3,328*
Final stock of non-performing loans and advances	**15,133**	**13,181**

TABLE 34: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES AND ASSOCIATED CUMULATIVE NET RECOVERIES (EU CR2A)

Crédit Mutuel Alliance Fédérale's NPE rate does not exceed the threshold of 5%, so this table has not been produced.

5.8.4 Standardized approach (EU CRD)

Exposures treated using the standardized method are given in the table below.

Crédit Mutuel Alliance Fédérale uses from the evaluations of rating agencies (Standard & Poor's, Moody's and Fitch Ratings) to measure the sovereign risk in its exposures linked to central governments and central banks. If several rating levels derived from external ratings are possible, they are ranked from the most favorable to the least favorable and the second best is used to calculate the weighted risks.

Since September 2017, the group has relied primarily on the estimates provided by the Banque de France with regard to its corporate exposures.

The cross-reference table used to match the credit quality steps to the external ratings adopted is the one required by the regulation.

TABLE 35: BREAKDOWN OF EXPOSURES UNDER THE STANDARDIZED APPROACH (EU CR5)

Category of exposure *(in € millions)* 12/31/2023	Weighting																Total	Of which not rated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted		
1 – Central governments and central banks	126,507	0	0	0	1,117	0	205	0	0	37	0	604	0	0	0	0	128,469	0
2 – Regional or local authorities	332	0	0	0	5,915	0	7	0	0	0	0	0	0	0	0	0	6,254	0
3 – Public sector (Public organizations excluding central governments)	49,613	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	49,613	0
4 – Multilateral development banks	616	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	616	0
5 – International organizations	1,427	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,427	0
6 – Institutions (banks)	302	0	0	0	1,874	0	38	0	0	121	0	0	0	0	0	0	2,334	0
7 - Companies	0	0	0	0	710	0	1,968	0	0	24,690	25	0	0	0	0	0	27,393	0
8 – Retail customers	0	0	0	0	0	0	0	0	47,255	0	0	0	0	0	0	0	47,255	0
9 – Exposures secured by real estate mortgages	0	0	0	0	0	9,616	3,024	0	1,674	778	0	0	0	0	0	0	15,092	0
10 – Exposures in default	7	0	0	0	0	0	0	0	0	2,702	889	0	0	0	0	0	3,599	0
11 – Exposures presenting a particularly high risk	0	0	0	0	0	0	0	0	0	0	2,238	0	0	0	0	0	2,238	0
12 – Covered bonds	0	0	0	111	0	0	0	0	0	0	0	0	0	0	0	0	111	0
13 – Exposures from institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 – Exposures in the form of UCIT shares or equities	163	0	0	0	0	0	1	0	0	37	198	0	0	30	0	0	429	0
15 – Equity exposure	0	0	0	0	0	0	0	0	0	785	0	1	0	0	0	0	785	0
16 – Other assets	0	0	0	1	22	0	47	0	0	2,633	0	0	0	0	105	0	2,809	0
17 – TOTAL	**178,966**	**0**	**0**	**112**	**9,637**	**9,616**	**5,289**	**0**	**48,929**	**31,783**	**3,350**	**604**	**0**	**30**	**105**	**0**	**288,424**	**0**

Totals include outstandings weighted at 250%, which are deferred assets.

The exposure to governments and central banks is nearly entirely weighted at 0%. The capital requirements for this book demonstrate a sovereign risk for Crédit Mutuel Alliance Fédérale limited to high-quality counterparties.

Category of exposure *(in € millions)* 12/31/2022	Weighting																Total	Of which not rated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted		
1 – Central governments and central banks	141,564	0	0	0	348	0	263	0	0	23	3	593	0	0	0	0	142,795	0
2 – Regional or local authorities	259	0	0	0	5,785	0	0	0	0	0	0	0	0	0	0	0	6,043	0
3 – Public sector (Public organizations excluding central governments)	42,583	0	0	0	44	0	0	0	0	0	0	0	0	0	0	0	42,627	0
4 – Multilateral development banks	1,064	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,064	0
5 – International organizations	1,063	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,063	0
6 – Institutions (banks)	16	0	0	0	1,881	0	49	0	0	11	0	0	0	0	0	0	1,958	0
7 - Companies	0	0	0	0	743	0	2,274	0	0	25,684	101	0	0	0	0	0	28,802	0
8 – Retail customers	0	0	0	0	0	0	0	0	44,431	0	0	0	0	0	0	0	44,431	0
9 – Exposures secured by real estate mortgages	0	0	0	0	0	11,547	2,462	0	1,554	906	0	0	0	0	0	0	16,468	0
10 – Exposures in default	13	0	0	0	0	0	0	0	0	2,137	879	0	0	0	0	0	3,028	0
11 – Exposures presenting a particularly high risk	0	0	0	0	0	0	0	0	0	0	2,014	0	0	0	0	0	2,014	0
12 – Covered bonds	0	0	0	85	0	0	5	0	0	0	0	0	0	0	0	0	90	0
13 – Exposures from institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 – Exposures in the form of UCIT shares or equities	120	0	0	0	0	0	1	0	0	227	170	0	0	19	0	0	538	0
15 – Equity exposure	0	0	0	0	0	0	0	0	0	450	0	1	0	0	0	0	450	0
16 – Other assets	0	0	0	2	13	0	45	0	0	2,670	0	0	0	0	76	0	2,805	0
17 – TOTAL	**186,681**	**0**	**0**	**86**	**8,815**	**11,547**	**5,100**	**0**	**45,984**	**32,107**	**3,167**	**593**	**0**	**19**	**76**	**0**	**294,176**	**0**

5.8.5 Internal rating systems (EU CRE)

5.8.5.1 Rating system and parameters

Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches.

Confédération Nationale du Crédit Mutuel is responsible for defining the rating methodologies for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving the tasks of the specific subjects and the work related to data quality and applications acceptance tests. Therefore, in carrying out the accreditation work, the subsidiaries draw support from the expertise of the entity concerned, the staff employed by their parent company (risk and finance) and the Confédération Nationale staff.

The counterparty rating system is common to the entire Crédit Mutuel group.

The probability of default (PD) is the probability that a counterparty of the bank will default within a one-year period. The group's counterparties eligible for internal approaches are rated by a single system which is based on:

- statistical algorithms or "mass ratings" reliant on one or more models based on a selection of variables that are representative and predictive of risk;
- rating grids developed by experts.

These models are used to differentiate and correctly classify risk. The value scale reflects the manner in which the risk changes and is broken down into 11 positions, including nine performing positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and three default positions (E-, E= and F).

In the so-called "mass" corporate and retail scopes, each borrower is assigned a score following the internal rating process. Based on this score as well as other characteristics, performing borrowers are grouped into homogeneous risk classes, prior to measuring the regulatory PD parameter. The grouping analyses are performed on the segments defined for the purposes of modeling the algorithms. The probabilities of default for a risk class are then estimated on the basis of the historical default rates observed on the exposures belonging to this class, based on a record of more than ten years of observations. Margins of conservatism are added to reflect the uncertainty of estimates.

In the other scopes, too few defaults are available to ensure the relevance and reliability of statistical estimates. The probabilities of default associated with the internal ratings are calibrated on the basis of external data.

Loss Given Default (LGD) is the ratio of the loss on an exposure in the event of a counterparty default to the amount of exposure at the time of default, including also additional drawdowns made after the transfer to non-performing.

Internal models for estimating LGD have been developed and approved by the group for the corporate and retail asset classes.
For mass corporate and retail, LGD is calculated separately for each class, the classes being defined according to the type of loan and nature of the collateral. LGD is estimated based on the updated monthly collections observed for each class.

Margins of conservatism are added to reflect the uncertainty of estimates and the "downturn" nature of LGD. The calculations are based on an internal record of defaults and losses covering more than 15 years.

The credit conversion factor (CCF) is the ratio of the portion currently undrawn of a credit line that could be drawn down and would therefore be exposed in the event of default and the portion of concerned credit currently undrawn.

In the case of the wholesale corporate and retail customers books, the Crédit Mutuel group calculates the credit conversion factors (CCFs) using an internal method approved for financing commitments. In the case of secured loans and banking exposures, regulatory values (standardized method) are applied.

In the corporate and retail scopes, the internal CCFs are estimated based on average historical CCFs weighted by the number of contracts, using a product-focused segmentation. They are calibrated on the basis of internal data.

The parameters used to calculate weighted risks are national and apply to all group entities.

5.8.5.2 Model mapping

Modeled parameter	Category of exposure	Portfolios	Number of models	Methodology
PD	**Institutions**	Financial institutions	2 models: Banks, Covered Bonds	Expert-type models based on a grid containing qualitative and quantitative variables
	Corporates	Large corporates (LC) (Revenue > €500m)	6 models depending on the type of counterparty and sector	Expert-type models based on a grid containing qualitative and quantitative variables
		“Mass” corporate (Revenue < €500m)	3 models	Quantitative-type models with qualitative grids provided by experts
		Large corporates acquisition financing	1 model	Expert-type model based on grid containing qualitative and quantitative variables
		Corporate acquisition financing	1 model	Quantitative-type models combined with qualitative grids provided by experts
		Specialized financing	Spec. asset financing: 6 models according to the asset type,	Expert-type models based on a grid containing qualitative and quantitative variables
			Spec. project financing: 4 models according to the industry,	
			Spec. real estate financing: 1 model	
		Other Corporates	2 models: RE Invest. Cos., Insurance	Expert-type models based on a grid containing qualitative and quantitative variables
	Retail	Individuals	6 models depending on the type of loan (real estate, personal, etc.)	Quantitative-type models
		Legal Entities	4 models depending on type of customer	Quantitative-type models
		Sole traders	3 models depending on type of business (merchants, artisans, etc.)	Quantitative-type models
		Farmers	6 models depending on the condition of the account and type of operation (cyclical or not)	Quantitative-type models
		Non-profit organizations	1 model	Quantitative-type models
		SCIs (RE partnerships)	1 model	Quantitative-type models
LGD	**Corporates**	“Mass” corporate	1 model applied to 11 segments according to the type of loan, nature of collateral, rating algorithm and operating characteristics	Quantitative-type models based on internal collection flows
	Retail		1 model applied to 24 segments according to the type of loan, nature of collateral, rating algorithm and operating characteristics	Quantitative-type models based on internal collection flows
CCF	**Corporates**	“Mass” corporate	1 model applied to 5 segments according to the type of loan and operating characteristics	Quantitative model, calibration of CCFs based on internal data
	Retail		1 model applied to 12 segments according to the type of loan and operating characteristics	Quantitative model, calibration of CCFs based on internal data

TABLE 36: IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6) – IRBA

12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
CENTRAL GOVERNMENTS AND CENTRAL BANKS					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
INSTITUTIONS (BANKS)					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**

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12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
CORPORATES					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	4,930	1,304	0	5,236
	0.25 to <0.50	13,971	2,708	0	14,586
	0.50 to <0.75	5,294	345	39	5,457
	0.75 to <2.50	24,938	5,235	41	26,067
	of which [0.75 to <1.75]	18,148	3,718	40	18,889
	of which [1.75 to <2.50]	6,789	1,518	43	7,178
	2.50 to <10.00	12,201	2,351	45	12,574
	of which [2.50 to <5.00]	8,928	1,827	46	9,253
	of which [5.00 to <10.00]	3,273	524	44	3,321
	10.00 to <100.00	1,670	255	36	1,551
	of which [10.00 to <20.00]	758	92	42	718
	of which [20.00 to <30.00]	842	152	43	759
	of which [30.00 to <100.00]	70	11	32	75
	100.00 (default)	2,331	238	78	1,968
	Subtotal	**65,335**	**12,435**	**42**	**67,439**
of which: Specialized financing					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.24	2,146	26.62	2.5	1,424	27	3	1
0.38	8,347	23.32	2.5	4,329	30	13	6
0.67	3,029	19.38	2.5	1,705	31	7	4
1.40	14,826	23.87	2.5	13,195	51	86	66
1.17	10,585	24.42	2.5	9,267	49	54	36
2.01	4,241	22.41	2.5	3,928	55	32	29
4.36	6,374	24.88	2.5	9,558	76	133	142
3.47	4,496	25.80	2.5	6,830	74	83	97
6.85	1,878	22.32	2.5	2,728	82	51	46
19.97	1,252	23.59	2.5	1,768	114	72	103
12.06	560	24.55	2.5	756	105	21	35
25.70	632	23.13	2.5	929	123	45	65
37.81	60	18.93	2.6	83	111	5	3
100.00	2,055	67.08	2.5	843	43	1,275	1,115
4.89	**38,029**	**25.04**	**2.5**	**32,822**	**49**	**1,590**	**1,439**
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	**0**	**0.00**	**0.0**	**0**	**0**	**0**	**0**

12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	2,397	503	0	2,483
	0.25 to <0.50	8,734	1,056	0	8,937
	0.50 to <0.75	4,296	287	43	4,435
	0.75 to <2.50	13,716	1,575	45	13,887
	of which [0.75 to <1.75]	10,499	1,147	43	10,598
	of which [1.75 to <2.50]	3,217	428	47	3,289
	2.50 to <10.00	5,421	623	52	5,428
	of which [2.50 to <5.00]	4,315	502	52	4,344
	of which [5.00 to <10.00]	1,106	121	54	1,084
	10.00 to <100.00	790	72	43	730
	of which [10.00 to <20.00]	413	40	44	393
	of which [20.00 to <30.00]	377	32	0	337
	of which [30.00 to <100.00]	0	0	39	0
	100.00 (default)	1,214	91	88	1,065
	Subtotal	**36,569**	**4,207**	**46**	**36,966**
RETAIL CUSTOMERS					
	0 to <0.15	183,905	18,138	26	188,573
	of which [0 to <0.10]	126,054	14,528	25	129,630
	of which [0.10 to <0.15]	57,851	3,610	32	58,943
	0.15 to <0.25	4,807	1,827	25	5,244
	0.25 to <0.50	45,362	4,807	30	46,220
	0.50 to <0.75	20,012	2,002	31	19,578
	0.75 to <2.50	31,818	5,057	33	32,510
	of which [0.75 to <1.75]	23,861	2,969	32	23,883
	of which [1.75 to <2.50]	7,957	2,089	33	8,627
	2.50 to <10.00	18,165	1,862	34	17,935
	of which [2.50 to <5.00]	8,800	908	34	8,800
	of which [5.00 to <10.00]	9,364	954	35	9,135
	10.00 to <100.00	5,981	313	40	5,751
	of which [10.00 to <20.00]	2,267	154	38	2,185
	of which [20.00 to <30.00]	2,951	95	44	2,977
	of which [30.00 to <100.00]	763	64	40	589
	100.00 (default)	5,513	151	66	4,986
	Subtotal	**315,565**	**34,157**	**29**	**320,798**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.00	0	0.00	0.0	0	0	0	0
	0.00	0	0.00	0.0	0	0	0	0
	0.00	0	0.00	0.0	0	0	0	0
	0.24	1,411	26.67	2.5	565	23	2	1
	0.36	5,844	23.07	2.5	2,255	25	8	3
	0.67	2,543	18.60	2.5	1,259	28	6	4
	1.42	9,207	25.11	2.5	6,498	47	49	38
	1.22	7,129	25.28	2.5	4,782	45	32	22
	2.09	2,078	24.54	2.5	1,717	52	16	16
	4.06	3,666	25.79	2.5	3,529	65	56	58
	3.34	2,785	26.30	2.5	2,760	64	38	37
	6.92	881	23.71	2.5	769	71	18	21
	18.66	779	23.56	2.5	692	95	32	33
	12.08	389	23.96	2.5	346	88	11	13
	26.35	390	23.10	2.5	346	103	21	20
	0.00	0	0.00	0.0	0	0	0	0
	100.00	1,359	63.92	2.5	480	45	653	482
	4.56	**24,809**	**25.13**	**2.5**	**15,279**	**41**	**804**	**618**
	0.07	4,552,587	15.52	0.0	5,558	3	21	17
	0.05	3,643,688	15.16	0.0	2,722	2	9	6
	0.13	908,899	16.31	0.0	2,836	5	12	11
	0.18	432,735	21.24	0.0	343	7	2	1
	0.32	1,229,074	18.51	0.0	4,658	10	27	34
	0.54	304,526	21.86	0.0	3,251	17	23	52
	1.48	1,154,779	21.67	0.0	9,137	28	104	207
	1.24	681,206	22.73	0.0	6,349	27	69	139
	2.14	473,573	18.75	0.0	2,788	32	34	68
	5.07	653,330	24.68	0.0	9,394	52	227	408
	3.55	316,862	23.57	0.0	4,052	46	72	129
	6.54	336,468	25.74	0.0	5,342	58	154	280
	21.02	241,450	22.06	0.0	4,990	87	274	362
	14.50	89,931	23.51	0.0	1,675	77	77	115
	23.04	133,096	18.66	0.0	2,808	94	127	163
	35.02	18,423	33.86	0.0	507	86	70	85
	100.00	174,955	55.72	0.0	1,945	39	2,633	2,218
	2.49	**8,743,436**	**18.31**	**0.0**	**39,276**	**12**	**3,311**	**3,300**

12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Exposures secured by real estate mortgages					
	0 to <0.15	156,973	3,943	36	158,382
	of which [0 to <0.10]	107,110	2,812	36	108,125
	of which [0.10 to <0.15]	49,863	1,131	35	50,257
	0.15 to <0.25	893	45	32	907
	0.25 to <0.50	35,643	796	35	35,919
	0.50 to <0.75	11,995	231	35	12,075
	0.75 to <2.50	20,442	729	34	20,688
	of which [0.75 to <1.75]	14,485	422	33	14,624
	of which [1.75 to <2.50]	5,957	307	35	6,064
	2.50 to <10.00	9,994	238	33	10,073
	of which [2.50 to <5.00]	5,221	128	34	5,264
	of which [5.00 to <10.00]	4,773	110	32	4,809
	10.00 to <100.00	3,649	49	35	3,666
	of which [10.00 to <20.00]	1,212	23	36	1,220
	of which [20.00 to <30.00]	2,363	24	35	2,371
	of which [30.00 to <100.00]	73	2	27	74
	100.00 (default)	2,279	24	35	2,289
	Subtotal	**241,870**	**6,055**	**35**	**243,999**
of which: SMEs					
	0 to <0.15	12,819	303	32	12,917
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	12,819	303	32	12,917
	0.15 to <0.25	411	16	26	415
	0.25 to <0.50	7,876	203	32	7,940
	0.50 to <0.75	1,293	37	28	1,303
	0.75 to <2.50	7,779	265	31	7,860
	of which [0.75 to <1.75]	6,053	210	31	6,118
	of which [1.75 to <2.50]	1,725	55	31	1,742
	2.50 to <10.00	3,259	126	31	3,297
	of which [2.50 to <5.00]	1,539	59	31	1,557
	of which [5.00 to <10.00]	1,720	67	30	1,740
	10.00 to <100.00	963	16	34	968
	of which [10.00 to <20.00]	457	9	36	460
	of which [20.00 to <30.00]	436	4	33	437
	of which [30.00 to <100.00]	70	2	26	71
	100.00 (default)	612	4	31	613
	Subtotal	**35,011**	**970**	**31**	**35,314**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.07	1,046,623	14.01	0.0	4,347	3	16	14
0.04	747,470	13.43	0.0	2,051	2	7	5
0.13	299,153	15.24	0.0	2,296	5	10	9
0.18	7,748	15.94	0.0	53	6	0	0
0.31	219,301	15.81	0.0	3,281	9	18	25
0.55	91,186	16.75	0.0	1,790	15	11	31
1.49	113,939	17.27	0.0	5,717	28	53	133
1.21	78,879	17.72	0.0	3,631	25	32	79
2.17	35,060	16.19	0.0	2,086	34	21	54
4.99	57,203	18.42	0.0	5,987	59	94	233
3.62	30,031	17.97	0.0	2,627	50	34	85
6.49	27,172	18.91	0.0	3,360	70	59	149
20.29	23,487	17.20	0.0	3,600	98	129	205
13.84	7,304	17.74	0.0	1,105	91	30	59
23.15	15,807	16.50	0.0	2,382	100	91	135
35.05	376	31.09	0.0	113	153	8	11
100.00	18,430	45.86	0.0	903	39	981	619
1.70	**1,577,917**	**15.22**	**0.0**	**25,677**	**11**	**1,302**	**1,260**
0.13	70,274	16.09	0.0	506	4	3	2
0.00	0	0.00	0.0	0	0	0	0
0.13	70,274	16.09	0.0	506	4	3	2
0.18	3,269	15.64	0.0	20	5	0	0
0.40	37,296	17.19	0.0	768	10	5	7
0.53	6,486	27.44	0.0	247	19	2	3
1.39	37,480	19.27	0.0	1,970	25	21	44
1.16	28,778	19.91	0.0	1,452	24	15	29
2.18	8,702	17.00	0.0	518	30	6	15
5.66	15,531	23.07	0.0	2,182	66	42	96
3.85	7,402	22.44	0.0	828	53	13	26
7.28	8,129	23.64	0.0	1,354	78	29	70
21.75	5,433	19.39	0.0	874	90	41	78
14.19	2,493	20.02	0.0	403	88	13	30
27.55	2,601	16.74	0.0	361	83	20	36
35.05	339	31.69	0.0	110	155	8	11
100.00	4,262	46.00	0.0	200	33	267	169
3.33	**180,031**	**18.72**	**0.0**	**6,768**	**19**	**382**	**400**

12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Non-SMEs					
	0 to <0.15	144,154	3,641	36	145,465
	of which [0 to <0.10]	107,110	2,812	36	108,125
	of which [0.10 to <0.15]	37,044	828	36	37,340
	0.15 to <0.25	482	29	36	493
	0.25 to <0.50	27,767	592	36	27,978
	0.50 to <0.75	10,702	194	36	10,772
	0.75 to <2.50	12,664	464	35	12,828
	of which [0.75 to <1.75]	8,432	212	35	8,506
	of which [1.75 to <2.50]	4,232	252	36	4,322
	2.50 to <10.00	6,736	112	36	6,776
	of which [2.50 to <5.00]	3,682	69	36	3,707
	of which [5.00 to <10.00]	3,054	43	36	3,069
	10.00 to <100.00	2,686	33	36	2,698
	of which [10.00 to <20.00]	755	14	35	760
	of which [20.00 to <30.00]	1,927	20	36	1,935
	of which [30.00 to <100.00]	3	0	36	3
	100.00 (default)	1,667	20	36	1,676
	Subtotal	**206,859**	**5,085**	**36**	**208,685**
of which: Revolving					
	0 to <0.15	3,670	9,584	5	4,114
	of which [0 to <0.10]	2,984	8,562	5	3,380
	of which [0.10 to <0.15]	686	1,022	5	734
	0.15 to <0.25	645	993	5	693
	0.25 to <0.50	1,515	1,705	5	1,598
	0.50 to <0.75	314	262	5	327
	0.75 to <2.50	1,517	1,140	5	1,576
	of which [0.75 to <1.75]	840	688	5	876
	of which [1.75 to <2.50]	676	452	5	701
	2.50 to <10.00	782	340	6	801
	of which [2.50 to <5.00]	427	215	5	439
	of which [5.00 to <10.00]	355	125	6	362
	10.00 to <100.00	257	51	6	260
	of which [10.00 to <20.00]	113	26	6	114
	of which [20.00 to <30.00]	143	25	6	144
	of which [30.00 to <100.00]	1	0	5	1
	100.00 (default)	180	1	5	180
	Subtotal	**8,881**	**14,075**	**5**	**9,550**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.07	976,349	13.82	0.0	3,841	3	14	12
0.04	747,470	13.43	0.0	2,051	2	7	5
0.13	228,879	14.94	0.0	1,790	5	7	7
0.18	4,479	16.20	0.0	33	7	0	0
0.29	182,005	15.42	0.0	2,514	9	12	18
0.55	84,700	15.46	0.0	1,542	14	9	27
1.55	76,459	16.05	0.0	3,747	29	32	89
1.24	50,101	16.15	0.0	2,178	26	17	50
2.17	26,358	15.86	0.0	1,569	36	15	39
4.67	41,672	16.15	0.0	3,805	56	51	137
3.53	22,629	16.09	0.0	1,799	49	21	58
6.05	19,043	16.22	0.0	2,006	65	30	79
19.77	18,054	16.42	0.0	2,726	101	88	127
13.63	4,811	16.36	0.0	702	92	17	29
22.15	13,206	16.44	0.0	2,021	104	71	98
35.13	37	16.94	0.0	3	108	0	0
100.00	14,168	45.80	0.0	703	42	714	450
1.42	**1,397,886**	**14.63**	**0.0**	**18,909**	**9**	**920**	**860**
0.07	840,513	32.60	0.0	66	2	1	1
0.06	736,585	32.60	0.0	46	1	1	0
0.13	103,928	32.60	0.0	20	3	0	0
0.17	135,067	32.60	0.0	23	3	0	0
0.35	265,605	32.61	0.0	97	6	2	2
0.55	42,451	32.60	0.0	28	9	1	1
1.46	295,156	32.60	0.0	287	18	7	6
1.07	153,099	32.60	0.0	128	15	3	2
1.94	142,057	32.60	0.0	159	23	4	3
4.72	148,219	32.61	0.0	334	42	12	9
3.43	77,586	32.61	0.0	149	34	5	4
6.28	70,633	32.60	0.0	185	51	7	5
18.90	51,033	32.61	0.0	240	92	16	9
15.71	21,241	32.60	0.0	98	85	6	3
21.30	29,504	32.60	0.0	141	97	10	6
36.72	288	34.09	0.0	1	111	0	0
99.99	30,038	57.12	0.0	117	65	94	116
3.16	**1,808,082**	**33.07**	**0.0**	**1,193**	**12**	**134**	**142**

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12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Other - retail customers					
	0 to <0.15	23,262	4,611	63	26,077
	of which [0 to <0.10]	15,961	3,154	70	18,126
	of which [0.10 to <0.15]	7,302	1,457	49	7,952
	0.15 to <0.25	3,269	788	51	3,644
	0.25 to <0.50	8,203	2,306	46	8,703
	0.50 to <0.75	7,703	1,509	35	7,176
	0.75 to <2.50	9,859	3,188	42	10,246
	of which [0.75 to <1.75]	8,536	1,859	42	8,383
	of which [1.75 to <2.50]	1,323	1,329	43	1,862
	2.50 to <10.00	7,388	1,285	42	7,061
	of which [2.50 to <5.00]	3,153	566	45	3,097
	of which [5.00 to <10.00]	4,236	719	40	3,965
	10.00 to <100.00	2,076	213	50	1,825
	of which [10.00 to <20.00]	942	105	47	851
	of which [20.00 to <30.00]	445	47	70	461
	of which [30.00 to <100.00]	689	61	40	514
	100.00 (default)	3,054	126	72	2,516
	Subtotal	**64,814**	**14,027**	**50**	**67,249**
of which: SMEs					
	0 to <0.15	2,358	559	31	2,466
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	2,358	559	31	2,466
	0.15 to <0.25	2,257	397	35	2,370
	0.25 to <0.50	3,963	1,223	28	3,744
	0.50 to <0.75	6,353	1,310	31	5,696
	0.75 to <2.50	7,481	1,423	32	6,976
	of which [0.75 to <1.75]	6,760	1,250	32	6,229
	of which [1.75 to <2.50]	720	172	32	748
	2.50 to <10.00	6,103	1,004	33	5,562
	of which [2.50 to <5.00]	2,408	406	33	2,232
	of which [5.00 to <10.00]	3,695	598	33	3,330
	10.00 to <100.00	1,619	163	40	1,329
	of which [10.00 to <20.00]	757	81	41	650
	of which [20.00 to <30.00]	174	21	40	167
	of which [30.00 to <100.00]	688	61	40	513
	100.00 (default)	2,383	87	83	1,830
	Subtotal	**32,517**	**6,166**	**32**	**29,973**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.07	2,665,451	22.05	0.0	1,146	4	4	2
	0.05	2,159,633	22.24	0.0	625	3	2	1
	0.13	505,818	21.61	0.0	521	7	2	1
	0.18	289,920	20.40	0.0	266	7	1	1
	0.33	744,168	27.08	0.0	1,280	15	8	8
	0.53	170,889	29.96	0.0	1,433	20	12	21
	1.46	745,684	28.88	0.0	3,133	31	43	68
	1.31	449,228	30.43	0.0	2,590	31	34	57
	2.12	296,456	21.89	0.0	542	29	9	11
	5.22	447,908	32.70	0.0	3,073	44	121	166
	3.43	209,245	31.81	0.0	1,276	41	33	40
	6.62	238,663	33.40	0.0	1,797	45	87	126
	22.80	166,930	30.31	0.0	1,151	63	129	148
	15.28	61,386	30.57	0.0	472	56	41	52
	23.05	87,785	25.42	0.0	285	62	27	22
	35.02	17,759	34.27	0.0	393	76	62	74
	100.00	126,487	64.60	0.0	925	37	1,557	1,484
	5.27	**5,357,437**	**27.43**	**0.0**	**12,406**	**18**	**1,875**	**1,898**
	0.13	87,390	22.62	0.0	137	6	1	1
	0.00	0	0.00	0.0	0	0	0	0
	0.13	87,390	22.62	0.0	137	6	1	1
	0.18	20,512	17.18	0.0	130	5	1	0
	0.34	81,021	31.66	0.0	557	15	4	4
	0.53	88,354	31.92	0.0	1,152	20	10	18
	1.46	126,289	31.11	0.0	2,131	31	32	56
	1.37	109,540	32.31	0.0	1,953	31	28	51
	2.23	16,749	21.13	0.0	177	24	4	5
	5.36	105,572	34.39	0.0	2,411	43	102	149
	3.39	40,159	33.96	0.0	909	41	25	33
	6.68	65,413	34.67	0.0	1,502	45	77	116
	24.19	47,632	31.70	0.0	825	62	104	130
	15.39	19,783	31.57	0.0	349	54	32	46
	25.13	10,291	24.25	0.0	83	50	10	10
	35.02	17,558	34.28	0.0	392	76	62	74
	100.00	48,785	63.50	0.0	699	38	1,111	1,057
	8.68	**605,555**	**32.14**	**0.0**	**8,042**	**27**	**1,364**	**1,414**

12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Non-SMEs					
	0 to <0.15	20,904	4,052	67	23,611
	of which [0 to <0.10]	15,961	3,154	69	18,126
	of which [0.10 to <0.15]	4,944	898	60	5,485
	0.15 to <0.25	1,012	392	67	1,274
	0.25 to <0.50	4,240	1,083	66	4,960
	0.50 to <0.75	1,350	200	65	1,480
	0.75 to <2.50	2,378	1,766	51	3,270
	of which [0.75 to <1.75]	1,775	608	62	2,155
	of which [1.75 to <2.50]	603	1,157	44	1,115
	2.50 to <10.00	1,286	281	76	1,499
	of which [2.50 to <5.00]	745	160	75	865
	of which [5.00 to <10.00]	541	121	77	634
	10.00 to <100.00	457	50	81	496
	of which [10.00 to <20.00]	185	25	66	201
	of which [20.00 to <30.00]	271	25	95	294
	of which [30.00 to <100.00]	1	0	47	1
	100.00 (default)	670	39	48	686
	Subtotal	**32,297**	**7,862**	**63**	**37,275**
EQUITIES					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
TOTAL		**380,900**	**46,593**	**32**	**388,236**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.07	2,578,061	21.99	0.0	1,008	4	3	2
0.05	2,159,633	22.24	0.0	625	3	2	1
0.13	418,428	21.15	0.0	384	7	1	1
0.17	269,408	26.39	0.0	136	11	1	0
0.32	663,147	23.62	0.0	722	15	4	3
0.55	82,535	22.43	0.0	281	19	2	3
1.44	619,395	24.12	0.0	1,002	31	11	13
1.13	339,688	25.01	0.0	637	30	6	6
2.04	279,707	22.41	0.0	365	33	5	6
4.70	342,336	26.47	0.0	662	44	19	17
3.54	169,086	26.28	0.0	366	42	8	7
6.30	173,250	26.72	0.0	295	47	11	10
19.07	119,298	26.59	0.0	326	66	25	19
14.90	41,603	27.35	0.0	123	61	8	6
21.86	77,494	26.08	0.0	202	69	17	13
35.56	201	28.84	0.0	1	84	0	0
100.01	77,702	67.52	0.0	225	33	446	427
2.52	**4,751,882**	**23.64**	**0.0**	**4,363**	**12**	**511**	**484**
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**
0	**8,781,465**	**0.0**	**2.5**	**72,098**	**19**	**4,901**	**4,739**

Central governments and central banks are permanently under the standardized approach, specialized financing under the slotting criteria method and equities under the simple weighting method.

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
CENTRAL GOVERNMENTS AND CENTRAL BANKS					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
INSTITUTIONS (BANKS)					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	0	0.00	0	0	0	0	0
0.00	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
CORPORATES					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	24,536	6,291	47	26,588
	0.75 to <2.50	21,741	4,564	48	22,150
	of which [0.75 to <1.75]	14,009	2,676	47	13,921
	of which [1.75 to <2.50]	7,732	1,888	49	8,230
	2.50 to <10.00	14,185	2,943	49	14,617
	of which [2.50 to <5.00]	10,749	2,174	48	11,103
	of which [5.00 to <10.00]	3,437	770	51	3,514
	10.00 to <100.00	1,931	268	52	1,814
	of which [10.00 to <20.00]	1,329	204	53	1,286
	of which [20.00 to <30.00]	43	6	45	46
	of which [30.00 to <100.00]	559	58	48	482
	100.00 (default)	2,013	205	83	1,755
	Subtotal	**64,406**	**14,272**	**48**	**66,925**
of which: Specialized financing					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.64	14,477	22	2.5	9,359	35	37	37
1.53	12,584	22	2.5	10,464	47	74	70
1.21	7,561	21	2.5	5,894	42	36	36
2.06	5,023	23	2.5	4,570	56	38	33
4.49	7,410	22	2.5	10,046	69	148	166
3.46	5,516	22	2.5	6,950	63	86	85
7.71	1,894	23	2.5	3,096	88	62	81
19.70	1,339	21	2.5	1,759	97	77	103
15.03	769	21	2.5	1,164	90	41	65
24.06	33	27	2.5	74	161	3	2
31.76	537	21	2.5	521	108	33	36
100.00	1,850	62	2.5	1,032	59	1,028	1,027
4.90	**37,660**	**23**	**2.5**	**32,661**	**49**	**1,364**	**1,404**
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	**0**	**0**	**0, 0**	**0**	**0**	**0**	**0**

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	14,155	1,879	53	14,657
	0.75 to <2.50	13,097	1,943	52	13,016
	of which [0.75 to <1.75]	8,815	1,327	50	8,648
	of which [1.75 to <2.50]	4,283	615	57	4,368
	2.50 to <10.00	7,068	1,064	56	7,140
	of which [2.50 to <5.00]	5,794	862	55	5,888
	of which [5.00 to <10.00]	1,274	203	58	1,252
	10.00 to <100.00	1,229	141	51	1,152
	of which [10.00 to <20.00]	906	113	52	882
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	323	28	49	270
	100.00 (default)	1,012	85	91	930
	Subtotal	**36,561**	**5,112**	**54**	**36,895**
RETAIL CUSTOMERS					
	0 to <0.15	120,462	15,899	34	125,835
	of which [0 to <0.10]	117,965	12,329	34	122,125
	of which [0.10 to <0.15]	2,498	3,570	34	3,710
	0.15 to <0.25	37,546	3,449	38	38,742
	0.25 to <0.50	51,357	5,209	35	52,535
	0.50 to <0.75	22,994	3,660	34	22,510
	0.75 to <2.50	39,170	5,974	38	39,963
	of which [0.75 to <1.75]	24,854	3,347	38	25,370
	of which [1.75 to <2.50]	14,316	2,627	37	14,594
	2.50 to <10.00	22,626	2,587	39	22,431
	of which [2.50 to <5.00]	11,313	1,320	39	11,380
	of which [5.00 to <10.00]	11,314	1,267	39	11,051
	10.00 to <100.00	6,908	466	39	6,647
	of which [10.00 to <20.00]	2,900	263	39	2,826
	of which [20.00 to <30.00]	2,446	119	42	2,491
	of which [30.00 to <100.00]	1,562	85	37	1,331
	100.00 (default)	4,974	149	62	4,610
	Subtotal	**306,037**	**37,393**	**36**	**313,274**

	Weighted average PD (in %)	Number of debtors	Weighted average LGD (in %)	Weighted average maturity (in years)	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.00	0	0	0.0	0	0	0	0
	0.00	0	0	0.0	0	0	0	0
	0.00	0	0	0.0	0	0	0	0
	0.00	0	0	0.0	0	0	0	0
	0.00	0	0	0.0	0	0	0	0
	0.64	9,130	20	2.5	4,161	28	19	18
	1.47	8,799	20	2.5	4,851	37	39	40
	1.21	6,007	20	2.5	3,051	35	21	22
	2.00	2,792	20	2.5	1,801	41	18	18
	4.06	4,692	21	2.5	3,651	51	60	74
	3.34	3,736	21	2.5	2,862	49	40	49
	7.43	956	21	2.5	789	63	19	25
	18.78	932	21	2.5	954	83	46	65
	15.04	588	21	2.5	703	80	28	43
	0.00	0	0	0.0	0	0	0	0
	30.99	344	21	2.5	251	93	18	21
	100.00	1,230	60	2.5	607	65	516	464
	4.67	**24,783**	**21**	**2.5**	**14,224**	**39**	**679**	**661**
	0.07	3,352,463	14	0.0	3,202	3	12	11
	0.07	2,146,728	14	0.0	3,059	3	11	10
	0.11	1,205,735	23	0.0	143	4	1	1
	0.20	762,531	15	0.0	2,280	6	11	14
	0.35	955,203	17	0.0	5,006	10	31	32
	0.61	753,402	19	0.0	3,274	15	27	34
	1.42	1,356,531	18	0.0	8,822	22	103	177
	1.02	820,957	18	0.0	4,743	19	46	70
	2.12	535,574	18	0.0	4,079	28	56	107
	5.21	649,746	18	0.0	9,175	41	217	441
	3.50	347,246	18	0.0	4,102	36	73	143
	6.96	302,500	19	0.0	5,073	46	144	298
	20.70	336,689	18	0.0	4,688	71	251	473
	14.57	130,627	19	0.0	1,817	64	77	145
	21.29	171,643	17	0.0	1,923	77	90	173
	32.63	34,419	19	0.0	948	71	83	154
	100.00	164,844	53	0.0	1,594	35	2,333	2,162
	2.62	**8,331,409**	**17**	**0.0**	**38,040**	**12**	**2,984**	**3,344**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Exposures secured by real estate mortgages					
	0 to <0.15	68,557	2,280	39	69,453
	of which [0 to <0.10]	68,439	2,246	39	69,322
	of which [0.10 to <0.15]	118	34	40	131
	0.15 to <0.25	25,560	752	39	25,856
	0.25 to <0.50	35,260	964	40	35,644
	0.50 to <0.75	12,459	413	40	12,626
	0.75 to <2.50	23,082	849	40	23,421
	of which [0.75 to <1.75]	14,864	504	40	15,065
	of which [1.75 to <2.50]	8,218	345	40	8,356
	2.50 to <10.00	12,592	378	41	12,745
	of which [2.50 to <5.00]	6,681	215	40	6,768
	of which [5.00 to <10.00]	5,910	163	41	5,977
	10.00 to <100.00	4,074	83	41	4,108
	of which [10.00 to <20.00]	1,634	51	41	1,655
	of which [20.00 to <30.00]	1,719	21	40	1,728
	of which [30.00 to <100.00]	721	11	41	725
	100.00 (default)	2,075	26	40	2,085
	Subtotal	**183,660**	**5,746**	**40**	**185,938**
of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	1,872	53	39	1,893
	0.25 to <0.50	9,555	256	41	9,659
	0.50 to <0.75	7,569	254	41	7,673
	0.75 to <2.50	6,116	280	41	6,231
	of which [0.75 to <1.75]	3,742	160	41	3,807
	of which [1.75 to <2.50]	2,374	120	41	2,424
	2.50 to <10.00	3,946	192	42	4,026
	of which [2.50 to <5.00]	2,129	111	41	2,175
	of which [5.00 to <10.00]	1,817	81	42	1,851
	10.00 to <100.00	1,420	42	42	1,438
	of which [10.00 to <20.00]	827	32	42	840
	of which [20.00 to <30.00]	181	3	41	183
	of which [30.00 to <100.00]	412	7	41	415
	100.00 (default)	567	4	40	569
	Subtotal	**31,047**	**1,082**	**41**	**31,489**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.07	493,856	14	0.0	1,774	3	6	6
0.07	492,438	14	0.0	1,768	3	6	6
0.11	1,418	17	0.0	6	5	0	0
0.20	167,866	14	0.0	1,512	6	7	10
0.36	222,572	16	0.0	3,406	10	20	21
0.60	58,393	17	0.0	1,821	14	13	18
1.37	151,090	16	0.0	5,468	23	51	100
0.96	102,736	15	0.0	2,851	19	23	41
2.10	48,354	16	0.0	2,618	31	28	58
4.99	73,669	16	0.0	6,370	50	101	277
3.44	38,133	16	0.0	2,848	42	37	94
6.75	35,536	16	0.0	3,522	59	64	183
20.48	26,170	16	0.0	3,455	84	131	296
14.48	9,359	16	0.0	1,325	80	39	88
21.01	12,445	15	0.0	1,488	86	53	124
32.90	4,366	16	0.0	642	89	39	84
100.00	17,779	46	0.0	669	32	898	634
2.25	**1,211,395**	**15**	**0.0**	**24,475**	**13**	**1,227**	**1,361**
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.00	0	0	0.0	0	0	0	0
0.19	12,944	14	0.0	88	5	1	1
0.34	51,166	18	0.0	889	9	6	4
0.60	35,882	18	0.0	1,037	14	8	11
1.62	29,923	19	0.0	1,644	26	19	30
1.19	18,837	19	0.0	832	22	8	13
2.29	11,086	19	0.0	812	33	10	17
5.21	18,985	19	0.0	2,085	52	40	79
3.51	9,974	19	0.0	936	43	14	27
7.20	9,011	19	0.0	1,149	62	25	52
19.97	7,966	18	0.0	1,138	79	51	113
12.95	4,392	18	0.0	630	75	20	46
21.96	1,040	18	0.0	160	88	7	17
33.31	2,534	17	0.0	348	84	24	50
100.01	4,060	47	0.0	226	40	250	175
3.97	**160,926**	**19**	**0.0**	**7,107**	**23**	**374**	**411**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Non-SMEs					
	0 to <0.15	68,557	2,280	39	69,453
	of which [0 to <0.10]	68,439	2,246	39	69,322
	of which [0.10 to <0.15]	118	34	40	131
	0.15 to <0.25	23,688	699	39	23,963
	0.25 to <0.50	25,705	709	39	25,985
	0.50 to <0.75	4,890	159	40	4,953
	0.75 to <2.50	16,966	569	39	17,191
	of which [0.75 to <1.75]	11,123	345	39	11,258
	of which [1.75 to <2.50]	5,844	225	39	5,932
	2.50 to <10.00	8,645	186	39	8,718
	of which [2.50 to <5.00]	4,552	104	39	4,593
	of which [5.00 to <10.00]	4,093	82	39	4,126
	10.00 to <100.00	2,653	41	40	2,670
	of which [10.00 to <20.00]	807	19	40	814
	of which [20.00 to <30.00]	1,538	18	39	1,545
	of which [30.00 to <100.00]	308	4	39	310
	100.00 (default)	1,508	22	40	1,517
	Subtotal	**152,613**	**4,665**	**39**	**154,449**
of which: Revolving					
	0 to <0.15	2,839	8,309	20	4,509
	of which [0 to <0.10]	1,772	5,824	20	2,942
	of which [0.10 to <0.15]	1,067	2,485	20	1,567
	0.15 to <0.25	651	1,042	20	861
	0.25 to <0.50	1,107	1,596	20	1,428
	0.50 to <0.75	888	1,070	20	1,103
	0.75 to <2.50	1,560	1,317	20	1,824
	of which [0.75 to <1.75]	862	777	20	1,018
	of which [1.75 to <2.50]	698	540	20	807
	2.50 to <10.00	692	369	20	766
	of which [2.50 to <5.00]	425	247	20	475
	of which [5.00 to <10.00]	266	123	20	291
	10.00 to <100.00	350	98	20	370
	of which [10.00 to <20.00]	137	53	20	147
	of which [20.00 to <30.00]	208	43	20	216
	of which [30.00 to <100.00]	6	2	20	6
	100.00 (default)	156	2	20	157
	Subtotal	**8,243**	**13,803**	**20**	**11,017**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.07	493,856	14	0.0	1,774	3	6	6
0.07	492,438	14	0.0	1,768	3	6	6
0.11	1,418	17	0.0	6	5	0	0
0.20	154,922	14	0.0	1,424	6	7	9
0.36	171,406	15	0.0	2,518	10	14	17
0.61	22,511	16	0.0	784	16	5	7
1.28	121,167	14	0.0	3,824	22	32	70
0.89	83,899	14	0.0	2,019	18	15	28
2.02	37,268	14	0.0	1,806	30	17	42
4.89	54,684	14	0.0	4,285	49	61	199
3.40	28,159	14	0.0	1,912	42	23	67
6.55	26,525	14	0.0	2,373	58	38	131
20.75	18,204	14	0.0	2,317	87	80	183
16.05	4,967	15	0.0	694	85	19	42
20.90	11,405	14	0.0	1,328	86	46	107
32.35	1,832	15	0.0	295	95	15	34
100.00	13,719	45	0.0	443	29	649	459
1.90	**1,050,469**	**14**	**0.0**	**17,368**	**11**	**853**	**950**
0.09	723,925	31	0.0	78	2	1	1
0.07	472,524	31	0.0	45	2	1	0
0.11	251,401	31	0.0	33	2	1	0
0.20	106,211	31	0.0	30	3	1	0
0.30	210,011	31	0.0	70	5	1	1
0.55	182,616	31	0.0	87	8	2	2
1.56	306,663	31	0.0	315	17	9	8
1.09	160,691	31	0.0	135	13	3	3
2.16	145,972	31	0.0	180	22	5	5
4.84	132,012	31	0.0	296	39	11	12
3.83	79,460	31	0.0	158	33	6	5
6.49	52,552	31	0.0	137	47	6	7
17.51	75,225	31	0.0	293	79	20	19
11.51	28,994	31	0.0	96	65	5	4
21.16	45,309	31	0.0	190	88	14	14
32.23	922	31	0.0	6	101	1	1
100.02	26,661	54	0.0	35	22	82	103
2.75	**1,763,324**	**31**	**0.0**	**1,204**	**11**	**127**	**146**

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Other - retail customers					
	0 to <0.15	49,066	5,310	53	51,872
	of which [0 to <0.10]	47,754	4,258	49	49,861
	of which [0.10 to <0.15]	1,313	1,052	66	2,012
	0.15 to <0.25	11,335	1,655	48	12,025
	0.25 to <0.50	14,990	2,648	43	15,464
	0.50 to <0.75	9,647	2,176	40	8,782
	0.75 to <2.50	14,528	3,808	44	14,717
	of which [0.75 to <1.75]	9,128	2,066	45	9,286
	of which [1.75 to <2.50]	5,400	1,742	42	5,431
	2.50 to <10.00	9,343	1,839	43	8,921
	of which [2.50 to <5.00]	4,206	858	44	4,137
	of which [5.00 to <10.00]	5,137	981	41	4,784
	10.00 to <100.00	2,483	285	46	2,170
	of which [10.00 to <20.00]	1,129	159	45	1,023
	of which [20.00 to <30.00]	519	55	60	547
	of which [30.00 to <100.00]	835	71	37	599
	100.00 (default)	2,742	122	68	2,367
	Subtotal	**114,134**	**17,844**	**46**	**116,319**
of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	1,482	415	33	1,518
	0.25 to <0.50	6,129	1,422	34	5,953
	0.50 to <0.75	7,498	1,560	33	6,269
	0.75 to <2.50	8,967	1,694	35	8,091
	of which [0.75 to <1.75]	5,208	1,036	35	4,807
	of which [1.75 to <2.50]	3,759	659	35	3,284
	2.50 to <10.00	6,816	1,226	38	6,072
	of which [2.50 to <5.00]	2,723	534	37	2,475
	of which [5.00 to <10.00]	4,093	692	38	3,597
	10.00 to <100.00	1,677	180	36	1,299
	of which [10.00 to <20.00]	807	103	36	667
	of which [20.00 to <30.00]	79	9	32	78
	of which [30.00 to <100.00]	791	68	36	554
	100.00 (default)	2,025	76	81	1,632
	Subtotal	**34,594**	**6,573**	**35**	**30,834**

	Weighted average PD (in %)	Number of debtors	Weighted average LGD (in %)	Weighted average maturity (in years)	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.06	2,134,682	14	0.0	1,349	3	5	4
	0.06	1,181,766	14	0.0	1,246	2	4	4
	0.11	952,916	18	0.0	103	5	0	0
	0.20	488,454	15	0.0	738	6	4	4
	0.35	522,620	18	0.0	1,530	10	9	10
	0.64	512,393	21	0.0	1,366	16	12	14
	1.48	898,778	20	0.0	3,039	21	43	69
	1.10	557,530	19	0.0	1,757	0	20	25
	2.15	341,248	20	0.0	1,282	0	23	44
	5.54	444,065	21	0.0	2,509	28	105	152
	3.58	229,653	20	0.0	1,096	26	30	44
	7.24	214,412	21	0.0	1,413	30	75	108
	21.67	235,294	21	0.0	940	43	100	158
	15.16	92,274	22	0.0	396	39	33	53
	22.22	113,889	19	0.0	245	45	23	36
	32.31	29,131	22	0.0	299	50	43	70
	100.00	120,404	60	0.0	890	38	1,352	1,425
	3.20	**5,356,690**	**17**	**0.0**	**12,361**	**11**	**1,630**	**1,836**
	0.00	0	0	0.0	0	0	0	0
	0.00	0	0	0.0	0	0	0	0
	0.00	0	0	0.0	0	0	0	0
	0.19	66,971	20	0.0	98	6	1	1
	0.33	71,236	22	0.0	631	11	4	4
	0.66	126,900	23	0.0	996	16	9	11
	1.60	128,069	23	0.0	1,841	23	30	36
	1.19	73,805	23	0.0	1,007	21	13	16
	2.19	54,264	23	0.0	834	25	16	21
	5.89	115,183	23	0.0	1,778	29	83	105
	3.56	41,517	23	0.0	681	27	20	25
	7.50	73,666	23	0.0	1,097	31	62	80
	23.75	47,652	23	0.0	572	44	70	111
	16.19	20,241	23	0.0	258	39	25	40
	27.65	1,476	22	0.0	36	47	5	7
	32.30	25,935	23	0.0	277	50	41	65
	100.00	43,193	60	0.0	719	44	925	968
	8.08	**599,204**	**25**	**0.0**	**6,634**	**22**	**1,122**	**1,236**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
of which: Non-SMEs					
	0 to <0.15	49,066	5,310	53	51,872
	of which [0 to <0.10]	47,754	4,258	49	49,861
	of which [0.10 to <0.15]	1,313	1,052	66	2,012
	0.15 to <0.25	9,853	1,241	53	10,508
	0.25 to <0.50	8,861	1,226	53	9,511
	0.50 to <0.75	2,149	616	59	2,513
	0.75 to <2.50	5,562	2,114	50	6,626
	of which [0.75 to <1.75]	3,920	1,030	54	4,479
	of which [1.75 to <2.50]	1,642	1,084	47	2,147
	2.50 to <10.00	2,527	613	53	2,848
	of which [2.50 to <5.00]	1,483	324	55	1,662
	of which [5.00 to <10.00]	1,044	289	49	1,186
	10.00 to <100.00	806	105	62	871
	of which [10.00 to <20.00]	322	56	61	356
	of which [20.00 to <30.00]	440	45	66	469
	of which [30.00 to <100.00]	44	3	47	46
	100.00 (default)	717	45	46	736
	Subtotal	**79,541**	**11,270**	**53**	**85,485**
EQUITIES					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
TOTAL		**370,443**	**51,665**	**39**	**380,198**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.06	2,134,682	14	0.0	1,349	3	5	4
	0.06	1,181,766	14	0.0	1,246	2	4	4
	0.11	952,916	18	0.0	103	5	0	0
	0.20	421,483	14	0.0	640	6	3	4
	0.35	451,384	15	0.0	899	9	5	6
	0.59	385,493	17	0.0	370	15	3	3
	1.34	770,709	15	0.0	1,198	18	14	33
	0.99	483,725	16	0.0	750	17	7	10
	2.08	286,984	15	0.0	448	21	7	23
	4.79	328,882	16	0.0	731	26	22	47
	3.61	188,136	16	0.0	415	25	10	19
	6.46	140,746	16	0.0	316	27	12	28
	18.58	187,642	19	0.0	369	42	30	47
	13.21	72,033	20	0.0	138	39	9	13
	21.31	112,413	18	0.0	209	45	18	29
	32.47	3,196	17	0.0	22	48	2	5
	100.01	77,211	60	0.0	171	23	428	457
	1.43	**4,757,486**	**15**	**0.0**	**5,727**	**7**	**508**	**600**
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	0	0.00	0	0	0	0	0
	0.00	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**
	-	**8,369,069**	**-**	**2.5**	**70,701**	**19**	**4,348**	**4,747**

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TABLE 36 BIS : IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6) IRBF

12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
INSTITUTIONS (BANKS)					
	0 to <0.15	26,252	2,173	25	25,469
	of which [0 to <0.10]	17,662	2,070	25	16,882
	of which [0.10 to <0.15]	8,590	103	29	8,588
	0.15 to <0.25	748	236	66	825
	0.25 to <0.50	444	275	56	304
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	398	26	46	410
	of which [0.75 to <1.75]	398	26	46	410
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	9	25	50	21
	of which [2.50 to <5.00]	9	25	50	21
	of which [5.00 to <10.00]	0	0	50	0
	10.00 to <100.00	119	161	28	164
	of which [10.00 to <20.00]	16	0	0	16
	of which [20.00 to <30.00]	102	161	28	148
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	2	0	0	1
	Subtotal	**27,971**	**2,895**	**32**	**27,194**
CORPORATES					
	0 to <0.15	5,293	11,967	60	12,657
	of which [0 to <0.10]	1,708	4,420	62	4,535
	of which [0.10 to <0.15]	3,585	7,547	59	8,122
	0.15 to <0.25	6,178	10,707	20	12,481
	0.25 to <0.50	7,817	12,182	58	14,564
	0.50 to <0.75	7,558	7,348	0	11,108
	0.75 to <2.50	2,874	1,454	56	3,594
	of which [0.75 to <1.75]	2,874	1,454	56	3,594
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	3,322	1,409	55	3,995
	of which [2.50 to <5.00]	3,322	1,409	55	3,995
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	911	633	67	1,239
	of which [10.00 to <20.00]	911	633	67	1,239
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	1,032	97	92	1,022
	Subtotal	**34,985**	**45,797**	**59**	**60,660**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.05	215	38.18	2.5	5,208	20	5	2
	0.02	155	34.76	2.5	1,415	8	1	2
	0.10	60	44.90	2.5	3,792	44	4	0
	0.22	49	45.14	2.4	564	68	1	0
	0.42	33	45.26	2.5	285	94	1	0
	0.00	1	0.00	0.0	0	117	0	0
	0.98	43	45.00	2.5	530	129	2	0
	0.98	43	45.00	2.5	530	129	2	0
	0.00	0	0.00	0.0	0	0	0	0
	2.68	21	45.07	2.8	36	169	0	0
	2.68	21	45.07	2.8	36	169	0	0
	0.00	0	0.00	0.0	0	0	0	0
	19.62	45	45.00	2.6	484	295	14	2
	10.14	1	45.03	0.0	41	250	1	0
	20.67	44	45.00	2.6	443	300	14	2
	0.00	0	0.00	0.0	0	0	0	0
	100.89	3	45.40	2.3	0	0	1	1
	0.20	**410**	**38.62**	**2.5**	**7,107**	**26**	**24**	**6**
	-		-					
	0.09	220	44.76	2.5	3,831	30	5	3
	0.05	83	44.96	2.5	1,028	23	1	1
	0.11	137	44.65	2.5	2,802	35	4	3
	0.20	197	43.54	2.5	5,875	47	11	4
	0.33	367	44.82	2.5	9,153	63	22	111
	0.73	258	44.84	2.5	10,051	90	36	18
	1.40	227	43.48	2.5	3,961	110	22	7
	1.40	227	43.48	2.5	3,961	110	22	7
	0.00	0	0.00	0.0	0	0	0	0
	3.91	233	45.00	2.5	6,108	153	70	29
	3.91	233	45.00	2.5	6,108	153	70	29
	0.00	0	0.00	0.0	0	0	0	0
	10.13	71	44.89	2.5	2,648	214	68	92
	10.13	71	44.89	2.5	2,648	214	56	92
	0.00	0	0.00	0.0	0	0	0	0
	0.00	0	0.00	2.5	0	0	12	0
	100.00	50	45.00	2.5	0	0	546	529
	2.51	**1,623**	**44.49**	**2.5**	**41,626**	**69**	**780**	**794**

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12/31/2023 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
EQUITIES					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
TOTAL		**62,956**	**48,691**	**57**	**87,855**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
-		-					
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	0.0	0	0	0	0
0.00	**0**	**0.00**	**0.0**	**0**	**0**	**0**	**0**
1.79	**2,033**	**43**	**2.5**	**48,733**	**96**	**804**	**835**

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
INSTITUTIONS (BANKS)					
	0 to <0.15	24,782	2,169	26	25,348
	of which [0 to <0.10]	17,312	2,010	26	17,868
	of which [0.10 to <0.15]	7,470	159	19	7,479
	0.15 to <0.25	823	268	34	913
	0.25 to <0.50	45	178	23	64
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	260	204	70	403
	of which [0.75 to <1.75]	260	204	70	403
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	115	39	31	127
	of which [2.50 to <5.00]	115	39	31	127
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	19	67	35	42
	of which [10.00 to <20.00]	18	0	0	18
	of which [20.00 to <30.00]	2	67	35	25
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	6	7	50	9
	Subtotal	**26,051**	**2,932**	**30**	**26,907**
CORPORATES					
	0 to <0.15	10,648	20,903	61	23,602
	of which [0 to <0.10]	4,595	10,834	63	11,581
	of which [0.10 to <0.15]	6,052	10,069	59	12,021
	0.15 to <0.25	239	1	21	240
	0.25 to <0.50	7,582	13,549	55	14,753
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	9,516	7,557	62	13,300
	of which [0.75 to <1.75]	9,516	7,557	62	13,300
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	3,152	1,275	57	3,643
	of which [2.50 to <5.00]	3,152	1,275	57	3,643
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	1,265	570	56	1,267
	of which [10.00 to <20.00]	1,265	570	56	1,267
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	844	178	82	891
	Subtotal	**33,247**	**44,034**	**59**	**57,696**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.04	221	39	3	4,847	19	4	2
0.02	155	36	3	1,545	9	1	2
0.10	66	45	3	3,302	44	3	0
0.22	48	47	3	644	71	1	0
0.38	29	46	2	58	91	0	1
0.00	0	0	0	0	0	0	0
0.98	36	45	2	526	130	2	0
0.98	36	45	2	526	130	2	0
0.00	0	0	0	0	0	0	0
2.67	22	45	3	214	169	2	1
2.67	22	45	3	214	169	2	1
0.00	0	0	0	0	0	0	0
18.66	38	45	2	125	294	4	2
15.85	1	45	0	50	285	1	0
20.68	37	45	2	74	300	2	2
0.00	0	0	0	0	0	0	0
99.71	9	45	2	0	0	5	0
0.14	**403**	**39**	**3**	**6,414**	**24**	**17**	**8**
0.09	381	44	3	7,256	31	10	7
0.07	185	43	3	2,881	25	3	3
0.12	196	45	3	4,375	36	6	4
0.22	15	45	3	122	51	0	0
0.33	342	45	3	9,279	63	22	112
0.00	0	0	0	0	0	0	0
1.08	443	44	3	13,512	102	64	22
1.08	443	44	3	13,512	102	64	22
0.00	0	0	0	0	0	0	0
3.32	223	45	3	5,312	146	54	38
3.32	223	45	3	5,312	146	54	38
0.00	0	0	0	0	0	0	0
15.86	71	45	3	3,150	249	90	120
15.86	70	45	3	3,150	249	90	120
0.00	1	0	0	0	265	0	0
0.00	0	0	2	0	0	0	0
100.00	61	45	2	0	0	302	288
2.48	**1,536**	**44**	**3**	**38,630**	**67**	**542**	**587**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
EQUITIES					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
TOTAL		**59,298**	**46,966**	**57**	**84,603**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	0	0	0	0	0	0	0
0.00	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1.73	**1,939**	**43**	**3**	**45,044**	**88**	**559**	**630**

5.8.5.3 Backtesting

The quality of the ratings system is monitored using national procedures which specify the topics to be reviewed, the warning thresholds and responsibilities of the personnel involved. These documents are updated by the Confédération Nationale du Crédit Mutuel risk department if necessary as decisions are ratified.

Reporting of the monitoring of the mass rating models focuses on three main aspects:

- stability assessment;
- performance assessment;
- various additional analyses.

These reports are prepared on a quartely basis for each mass rating model and supplemented by reviews and annual and semi-annual audits at a greater level of detail, in that all of the elements making up each model are analyzed.

For the expert networks, the approach includes comprehensive annual monitoring based on performance tests, with an analysis of rating concentrations, of transition matrices and of consistency with the external rating system.

The annual review of default probabilities is carried out before new estimates are made of this regulatory parameter. Depending on the portfolio, the annual review is supplemented by an intermediate review, conducted semi-annually. It mainly consists of ensuring that the default rate by risk class is within the confidence interval around the PD.

The procedures for tracking LGD and CCFs are implemented on an annual basis, their main objective being to validate, at the segment level, the values used by these parameters. In the case of loss given default, this validation is carried out mainly by verifying the strength of the calculation methods for the margins of conservatism and by reconciling the LGD estimators with the most recent data and actual figures. As regards the CCF, it is validated by reconciling the estimators with the most recent CCFs observed.

5.8.5.4 Permanent and periodic control

The Crédit Mutuel group's Basel regulatory permanent control plan comprises two levels. At the national level, the model validation function is involved, on the one hand, in validating new models and significant adjustments made to existing models and, on the other, the ongoing monitoring of the internal ratings system, especially its parameters.

At the regional level, the role of CNCM Permanent Control is to lead, coordinate and standardize all the Crédit Mutuel Permanent Control function, group-wide.

It controls the overall appropriation of the internal rating system, the operational aspects related to the production and calculation of ratings, the credit risk management procedures directly linked to the internal rating system and the quality of the data.

As for periodic control, the Crédit Mutuel group's audit unit carries out an annual review of the internal rating system. A framework procedure defines the type of assignments to be carried out on an ongoing basis on the Basel procedures as well as the breakdown of responsibilities between the regional and national audit units.

5.8.5.5 Additional quantitative information

The risk-weighted assets of "Equity" exposures are obtained using the simple risk-weighted approach, which involves applying specific risk weighting to the carrying amounts of the exposures.

The risk-weighted assets of "Specialized Financing" exposures are obtained using the slotting criteria method.

TABLE 37: IRB APPROACH – SCOPE OF USE OF STANDARDIZED AND IRB APPROACHES (EU CR6-A)

12/31/2023 *(in € millions)*	Performing loans				
	Within the meaning of Article 166 of the CRR for exposures under the IRB approach	Total exposures under the standardized approach and the IRB approach	Percentage of total value at risk subject to permanent partial utilization of SA *(in %)*	Percentage of total value at risk subject to the IRB approach *(in %)*	Percentage of total value at risk subject to a roll-out plan *(in %)*
Central governments and central banks	0	175,872	100	0	0
of which Regional or local authorities	*0*	*6,057*	*100*	*0*	*0*
of which Public sector entities	*0*	*48,622*	*100*	*0*	*0*
Institutions (banks)	28,894	31,251	4	92	3
Corporates	145,281	176,301	7	82	10
of which Corporates – Specialized financing excluding slotting criteria	*0*	*0*	*0*	*0*	*0*
of which Corporates – Specialized financing using slotting criteria	*12,871*	*12,871*	*0*	*100*	*0*
Retail customers	325,323	390,173	7	83	10
of which Retail customers – Real estate – SMEs	*35,314*	*39,381*	*9*	*90*	*2*
of which Retail customers – Real estate – non-SMEs	*208,685*	*219,966*	*3*	*95*	*2*
of which Retail customers – Revolving	*9,550*	*9,916*	*1*	*96*	*3*
of which Retail customers – SMEs	*34,491*	*41,228*	*8*	*84*	*9*
of which Retail customers – Other non-SMEs	*37,283*	*79,681*	*16*	*47*	*38*
Equities	15,681	17,984	12	87	1
Other assets	7,513	10,321	13	73	14
TOTAL	**522,692**	**801,901**	**27**	**65**	**7**

12/31/2022 *(in € millions)*	Value at risk				
	Within the meaning of Article 166 of the CRR for exposures under the IRB approach	Total exposures under the standardized approach and the IRB approach	Percentage of total value at risk subject to permanent partial utilization of SA *(in %)*	Percentage of total value at risk subject to the IRB approach *(in %)*	Percentage of total value at risk subject to a roll-out plan *(in %)*
Central governments and central banks	0	181,564	100	0	0
of which Regional or local authorities	*0*	*5,935*	*100*	*0*	*0*
of which Public sector entities	*0*	*41,798*	*100*	*0*	*0*
Institutions (banks)	26,924	28,872	4	93	2
Corporates	142,168	174,511	5	81	13
of which Corporates – Specialized financing excluding slotting criteria	*0*	*0*	*0*	*0*	*0*
of which Corporates – Specialized financing using slotting criteria	*11,561*	*11,561*	*0*	*100*	*0*
Retail customers	319,354	382,513	7	83	10
of which Retail customers – Real estate – SMEs	*31,489*	*34,967*	*8*	*90*	*2*
of which Retail customers – Real estate – non-SMEs	*154,449*	*167,592*	*5*	*92*	*3*
of which Retail customers – Revolving	*11,017*	*11,341*	*1*	*97*	*2*
of which Retail customers – SMEs	*36,906*	*43,649*	*7*	*85*	*9*
of which Retail customers – Other non-SMEs	*85,493*	*124,965*	*10*	*68*	*22*
Equities	12,542	14,435	12	87	2
Other assets	6,470	9,275	15	70	15
TOTAL	**507,459**	**791,170**	**28**	**64**	**8**

TABLE 38: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (EU CR8)

(in € millions)	RWA	EFP
1 – RWAs December 2022	**124,941**	**9,995**
2 – Asset amount	4,185	335
3 – Asset quality	1,138	91
4 – Model upgrades	734	59
5 – Methodology and policy	0	0
6 – Acquisitions and disposals	0	0
7 – Currency movements	0	0
8 – Other	0	0
9 – RWA December 2023	**130,997**	**10,480**

TABLE 39: IRB APPROACH – PD BACKTESTING BY EXPOSURE CLASS (EU CR9)

The information associated with this table is treated at the national level in the Crédit Mutuel group's Pillar 3 report.

TABLE 40: IRB APPROACH – PD BACKTESTING BY EXPOSURE CLASS – (ONLY FOR PD ESTIMATION) (EU CR9.1)

Category of exposure (in € millions) 12/31/2023	PD range	Equivalent external rating	Number of debtors at the end of the previous year	of which number of debtors who defaulted during the year	Average observed default rate (in %)	Average PD (in %)	Average historical annual default rate (in %)
Banks	0.00 to <0.15	1 to 2	309	1	0.06	0.06	0.12
	0.15 to <0.50	3	155	-	0.11	0.32	0.00
	0.50 to <10	4	108	1	0.46	1.83	0.36
	10.00 to <100.00	5 to 6	102	-	2.65	20.67	1.26
	100.00 (Default)		-	-	100.00	100.00	100.00
Large corporates	0.00 to <0.15	1 to 2	569	1	0.40	0.07	0.07
	0.15 to <1.50	3	5,628	26	0.56	0.67	0.35
	1.50 to <10	4	1,674	7	1.25	3.91	1.00
	10.00 to <100.00	5 to 6	285	8	9.27	10.13	4.16
	100.00 (Default)		-	-	100.00	100.00	100.00

Category of exposure (in € millions) 12/31/2022	PD range	Equivalent external rating	Number of debtors at the end of the previous year	of which number of debtors who defaulted during the year	Average observed default rate (in %)	Average PD (in %)	Average historical annual default rate (in %)
Banks	0.00 to <0.15	1 to 2	321	-	0.03	0.06	0.07
	0.15 to <0.50	3	148	-	0.11	0.32	-
	0.50 to <10	4	137	1	1.21	1.82	0.35
	10.00 to <100.00	5 to 6	39	-	2.91	20.67	1.94
	100.00 (Default)		-	-	100.00	100.00	100.00
Large corporates	0.00 to <0.15	1 to 2	1,208	1	0.46	0.07	0.09
	0.15 to <1.50	3	3,856	19	0.44	0.59	0.21
	1.50 to <10	4	2,717	26	1.27	2.48	0.91
	10.00 to <100.00	5 to 6	314	4	9.86	15.86	5.38
	100.00 (Default)		-	-	100.00	100.00	100.00

TABLE 41: IRB – SPECIALIZED FINANCING – PROJECTS (EU CR10.1)

Regulatory categories *(in € millions)* 12/31/2023	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Weighting	Exposure amount	RWA	Expected losses
Category 1	Less than 2.5 years	193	34	50%	209	109	0
	2.5 years or more	2,459	614	70%	2,898	2,117	12
Category 2	Less than 2.5 years	114	70	70%	153	111	1
	2.5 years or more	1,091	490	90%	1,443	1,353	12
Category 3	Less than 2.5 years	71	30	115%	88	105	2
	2.5 years or more	593	140	115%	694	831	19
Category 4	Less than 2.5 years	14	0	250%	14	37	1
	2.5 years or more	10	14	250%	20	52	2
Category 5	Less than 2.5 years	4	0	0%	4	0	2
	2.5 years or more	6	0	0%	5	0	2
TOTAL	**LESS THAN 2.5 YEARS**	**397**	**134**	**-**	**467**	**362**	**6**
	2.5 YEARS OR MORE	**4,158**	**1,256**	**-**	**5,060**	**4,353**	**46**

Regulatory categories *(in € millions)* 12/31/2022	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Weighting	Exposure amount	RWA	Expected losses
Category 1	Less than 2.5 years	133	98	50%	195	101	0
	2.5 years or more	2,211	435	70%	2,522	1,839	10
Category 2	Less than 2.5 years	169	42	70%	196	143	1
	2.5 years or more	965	382	90%	1,233	1,156	10
Category 3	Less than 2.5 years	18	2	115%	18	22	1
	2.5 years or more	421	129	115%	515	618	14
Category 4	Less than 2.5 years	15	5	250%	16	43	1
	2.5 years or more	81	20	250%	95	248	8
Category 5	Less than 2.5 years	4	0	0%	4	0	2
	2.5 years or more	0	0	0%	0	0	0
TOTAL	**LESS THAN 2.5 YEARS**	**339**	**147**	**-**	**430**	**309**	**5**
	2.5 YEARS OR MORE	**3,680**	**965**	**-**	**4,365**	**3,859**	**42**

TABLE 42: IRB – SPECIALIZED FINANCING – REAL ESTATE PROPERTY (EU CR10.2)

Regulatory categories *(in € millions)* 12/31/2023	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
Category 1	Less than 2.5 years	349	56	50%	379	197	0
	2.5 years or more	1,670	100	70%	1,734	1,265	7
Category 2	Less than 2.5 years	327	8	70%	333	243	1
	2.5 years or more	574	113	90%	607	569	5
Category 3	Less than 2.5 years	67	0	115%	67	80	2
	2.5 years or more	6	0	115%	6	7	0
Category 4	Less than 2.5 years	0	0	250%	0	0	0
	2.5 years or more	5	0	250%	5	12	0
Category 5	Less than 2.5 years	0	0	0%	0	0	0
	2.5 years or more	0	0	0%	0	0	0
TOTAL	**LESS THAN 2.5 YEARS**	**744**	**64**	**-**	**779**	**520**	**3**
	2.5 YEARS OR MORE	**2,255**	**213**	**-**	**2,351**	**1,853**	**12**

Regulatory categories *(in € millions)* 12/31/2022	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Weighting	Exposure amount	RWA	Expected losses
Category 1	Less than 2.5 years	326	24	50%	330	172	0
	2.5 years or more	1,568	184	70%	1,692	1,234	7
Category 2	Less than 2.5 years	322	24	70%	334	244	1
	2.5 years or more	541	125	90%	611	573	5
Category 3	Less than 2.5 years	30	1	115%	30	36	1
	2.5 years or more	4	0	115%	4	5	0
Category 4	Less than 2.5 years	0	0	250%	0	0	0
	2.5 years or more	5	0	250%	5	14	0
Category 5	Less than 2.5 years	0	0	0%	0	0	0
	2.5 years or more	0	0	0%	0	0	0
TOTAL	**LESS THAN 2.5 YEARS**	**679**	**49**	**-**	**695**	**452**	**2**
	2.5 YEARS OR MORE	**2,118**	**310**	**-**	**2,312**	**1,826**	**12**

TABLE 43: IRB – SPECIALIZED FINANCING – ASSETS (EU CR10.3)

Regulatory categories *(in € millions)* 12/31/2023	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
Category 1	Less than 2.5 years	359	3	50%	356	186	0
	2.5 years or more	3,306	258	70%	3,350	2,440	13
Category 2	Less than 2.5 years	11	9	70%	18	13	0
	2.5 years or more	224	33	90%	232	218	2
Category 3	Less than 2.5 years	2	0	115%	2	2	0
	2.5 years or more	203	0	115%	183	220	5
Category 4	Less than 2.5 years	0	0	250%	0	0	0
	2.5 years or more	0	0	250%	0	0	0
Category 5	Less than 2.5 years	0	0	0%	0	0	0
	2.5 years or more	73	0	0%	73	0	37
TOTAL	**LESS THAN 2.5 YEARS**	**371**	**12**	**-**	**376**	**201**	**0**
	2.5 YEARS OR MORE	**3,806**	**291**	**-**	**3,838**	**2,878**	**57**

Regulatory categories *(in € millions)* 12/31/2022	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Weighting	Exposure amount	RWA	Expected losses
Category 1	Less than 2.5 years	301	17	50%	311	162	0
	2.5 years or more	2,906	207	70%	2,931	2,138	12
Category 2	Less than 2.5 years	5	0	70%	5	3	0
	2.5 years or more	91	74	90%	147	138	1
Category 3	Less than 2.5 years	43	0	115%	43	52	1
	2.5 years or more	220	0	115%	202	242	6
Category 4	Less than 2.5 years	0	0	250%	0	0	0
	2.5 years or more	20	0	250%	5	13	0
Category 5	Less than 2.5 years	4	0	0%	4	0	2
	2.5 years or more	29	0	0%	28	-63	56
TOTAL	**LESS THAN 2.5 YEARS**	**354**	**17**	**-**	**363**	**218**	**3**
	2.5 YEARS OR MORE	**3,267**	**281**	**-**	**3,397**	**2,531**	**75**

TABLE 44: IRB – SPECIALIZED FINANCING: COMMODITIES (EUR CR10.4)

Crédit Mutuel Alliance Fédérale has no specialized financing exposure to commodities.

TABLE 45: SPECIALIZED FINANCING: EQUITIES (EUR CR10.5)

Categories *(in € millions)* 12/31/2023	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Amount of expected losses
Private equity exposures	2,994	0	190%	2,994	5,688	24
Exposures to equities traded on regulated exchanges	255	0	290%	255	740	2
Other equity exposures[1]	10,657	0	370%	10,657	39,430	256
TOTAL	**13,905**	**0**	**-**	**13,905**	**45,857**	**282**

(1) Including €8,930 million of exposures related to Groupe des Assurances du Crédit Mutuel, treated according to the Danish compromise.

Categories *(in € millions)* 12/31/2022	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Amount of expected losses
Exposures to private equity funds	1,921	0	190%	1,921	3,649	15
Exposures to equities traded on regulated exchanges	236	0	290%	236	684	2
Other equity exposures[1]	8,707	0	370%	8,707	32,216	209
TOTAL	**10,864**	**0**	**-**	**10,864**	**36,550**	**226**

(1) Including €7,351 million of exposures related to Groupe des Assurances du Crédit Mutuel, treated according to the Danish compromise.

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5.9 COUNTERPARTY RISK (EU CCRA)

Qualitative information disclosure requirements on CCR

Objectives and risk management policies regarding CCR

In terms of Capital Market counterparty risk, the objective in managing it is to estimate the economic loss that the group would suffer in the event of instant default by a counterparty before applying a recovery rate.

Method used to allocate internal capital operating limits for counterparty credit risk exposures

The limits on trading floor credit risk and counterparty risk are internal ratings of the counterparties and of the type of exposure to them, such as money market instruments, investment in equity or debt securities, derivative products and repurchase agreements.

Policies concerning guarantees and other risk mitigation techniques and counterparty risk assessment

In line with the EU CCR1 statement, trading floor counterparty transactional risk is calculated (i) using the market price method accompanied by an add-on for exposures through derivatives and (ii) using the general method based on financial collateral for exposures through repurchase agreements. Margin call flows (collateralization) mitigate the risks of these exposures. Hedging through CDSs may also be used to manage credit risk for certain Large Corporate counterparties. Lastly, as regards the mitigation of counterparty risk, the measures applied are:

i) signing netting contracts with certain counterparties or certain products (see close-out netting in the event of default by a counterparty);

ii) netting transactions on certain over-the-counter derivatives with a central counterparty.

The policies applied as regards exposure to correlation risk

The risk of unfavorable correlation, known as wrong-way Risk, is monitored for both of its components, specific risk and general risk. A procedure for monitoring specific correlation risk is in place to detect transactions that might give rise to exposure. General correlation risk is calculated by combining a scenario where the probabilities of default (historical and market) deteriorate and a scenario where the primary risk factors to which the portfolio is sensitive are altered.

TABLE 46: ANALYSIS OF CCR EXPOSURE BY APPROACH (EU CCR1)

12/31/2023 *(in € millions)*	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha factor used to calculate regulatory exposure	Value at risk before CRM	Value at risk after CRM	Value at risk	Risk-weighted exposure amount (RWEA)
EU – Initial exposure method (for derivatives)	28	53	-	1.4	114	114	1.4	31
EU – Simplified SA-CCR (for derivatives)	0	0	-	1.4	0	0	1.4	0
SA-CCR (for derivatives)	1,097	2,172	-	1.4	4,731	4,577	1.4	2,215
IMM (for derivatives and SFTs)	-	-	0	0	0	0	0	0
Of which securities financing transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
Of which derivatives and deferred settlement transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
Of which resulting from netting sets of multi-product agreements	-	-	*0*	-	*0*	*0*	*0*	*0*
Simple method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	0
General method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	94
VaR for SFTs	-	-	-	-	0	0	0	0
TOTAL	**-**	**-**	**-**	**-**	**0**	**0**	**0**	**2,340**

12/31/2022 *(in € millions)*	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha factor used to calculate regulatory exposure	Value at risk before CRM	Value at risk after CRM	Value at risk	Risk-weighted exposure amount (RWEA)
EU – Initial exposure method (for derivatives)	14	93	-	1.4	148	148	1.4	47
EU – Simplified SA-CCR (for derivatives)	0	0	-	1.4	0	0	1.4	0
SA-CCR (for derivatives)	1,264	1,751	-	1.4	4,383	4,237	1.4	2,036
IMM (for derivatives and SFTs)	-	-	0	0.0	0	0	0	0
Of which securities financing transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
Of which derivatives and deferred settlement transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
Of which resulting from netting sets of multi-product agreements	-	-	*0*	-	*0*	*0*	*0*	*0*
Simple method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	0
General method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	355
VaR for SFTs	-	-	-	-	0	0	0	0
TOTAL	**-**	**-**	**-**	**-**	**0**	**0**	**0**	**2,438**

TABLE 47: CVA CAPITAL REQUIREMENT (EU CCR2)

12/31/2023 *(in € millions)*	12/31/2023		12/31/2022	
	Amount of exposure	RWA	Amount of exposure	RWA
Total portfolios subject to advanced CVA requirement	**0**	**0**	**0**	**0**
i) VaR component (including x3 multiplier)	-	0	-	0
ii) SVaR component under stress (including x3 multiplier)	-	0	-	0
Total portfolios subject to standard CVA requirement	**1,704**	**426**	**1,374**	**405**
Total of method based on original exposure	**0**	**0**	**0**	**0**
Total subject to credit valuation adjustment (CVA) capital requirements	**1,704**	**426**	**1,374**	**405**

TABLE 48: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTING (EU CCR3)

Exposure categories at 12/31/2023 *(in € millions)*	**Weighting**											
	0%	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Other**	**Total**
Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0
Regional or local authorities	0	0	0	0	0	0	0	0	0	0	0	0
Public sector (Public organizations excluding central governments)	11	0	0	0	0	0	0	0	1	0	0	11
Multilateral development banks	4	0	0	0	0	0	0	0	0	0	0	4
International organizations	0	0	0	0	0	0	0	0	0	0	0	0
Institutions (banks)	0	897	0	0	155	11	0	0	0	0	0	1,062
Corporates	0	0	0	0	0	1	0	0	136	0	0	137
Retail customers	0	0	0	0	0	0	0	15	0	0	0	15
Institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0	0	2	0	0	2
Total	**15**	**897**	**0**	**0**	**155**	**11**	**0**	**15**	**139**	**0**	**0**	**1,231**

Exposure categories at 12/31/2022 *(in € millions)*	**Weighting**											
	0%	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Other**	**Total**
Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0
Regional or local authorities	0	0	0	0	0	0	0	0	0	0	0	0
Public sector (Public organizations excluding central governments)	27	0	0	0	0	0	0	0	0	0	0	28
Multilateral development banks	16	0	0	0	0	0	0	0	0	0	0	16
International organizations	0	0	0	0	0	0	0	0	0	0	0	0
Institutions (banks)	0	400	0	0	198	14	0	0	3	0	0	615
Corporates	0	0	0	0	0	1	0	0	441	0	0	442
Retail customers	0	0	0	0	0	0	0	2	0	0	0	2
Institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0	0	5	0	0	5
Total	**43**	**400**	**0**	**0**	**198**	**15**	**0**	**2**	**449**	**0**	**0**	**1,108**

TABLE 49: IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE (EU CCR4) – IRBA METHOD

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
CENTRAL GOVERNMENTS AND CENTRAL BANKS								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
INSTITUTIONS (BANKS)								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
CORPORATES								
	0 to <0.15	0	0.0	0	0.0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0.0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	66	0.2	373	43.3	2.5	33	50
	0.25 to <0.50	60	0.4	485	45.0	2.5	43	72
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	140	1.4	611	35.4	2.5	119	85
	of which [0.75 to <1.75]	91	1.2	404	38.7	2.5	80	88
	of which [1.75 to <2.50]	49	1.9	207	29.0	2.5	39	80
	2.50 to <10.00	91	4.2	453	43.9	2.5	134	147
	of which [2.50 to <5.00]	74	3.6	347	43.7	2.5	102	139
	of which [5.00 to <10.00]	17	6.7	106	45.0	2.5	31	181
	10.00 to <100.00	15	17.8	72	45.0	2.5	36	235
	of which [10.00 to <20.00]	8	12.0	45	45.0	2.5	18	225
	of which [20.00 to <30.00]	7	26.6	26	45.0	2.5	18	270
	of which [30.00 to <100.00]	1	0.0	1	45.0	2.5	0	0
	100.00 (default)	8	100.0	49	45.0	2.5	0	0
	Subtotal	**380**	**4.4**	**2,043**	**40.9**	**2.5**	**364**	**96**
of which: Specialized financing								
	0 to <0.15	0	0.0	0	0.0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0.0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0.0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0.0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0.0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0.0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0.0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0.0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0.0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0.0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0.0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0.0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0.0**	**0.0**	**0**	**0**

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: SMEs								
	0 to <0.15	0	0.0	0	0.0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0.0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0.0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0.0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0.0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0.0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0.0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0.0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0.0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0.0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0.0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0.0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0.0**	**0.0**	**0**	**0**
RETAIL CUSTOMERS								
	0 to <0.15	2	0.1	65	45.0	0.0	0	4
	of which [0 to <0.10]	2	0.1	65	45.0	0.0	0	4
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	2	0.2	16	45.0	0.0	0	10
	0.25 to <0.50	0	0.4	14	45.0	0.0	0	17
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	0	1.3	10	45.0	0.0	0	30
	of which [0.75 to <1.75]	0	1.0	6	45.0	0.0	0	27
	of which [1.75 to <2.50]	0	1.9	4	45.0	0.0	0	34
	2.50 to <10.00	0	6.6	4	45.0	0.0	0	41
	of which [2.50 to <5.00]	0	3.6	1	45.0	0.0	0	38
	of which [5.00 to <10.00]	0	7.0	3	45.0	0.0	0	41
	10.00 to <100.00	0	16.2	2	45.0	0.0	0	54
	of which [10.00 to <20.00]	0	16.2	2	45.0	0.0	0	54
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**5**	**0.6**	**111**	**45.0**	**0.0**	**0**	**10**

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Exposures secured by real estate mortgages								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
of which: SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Non-SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
of which: Revolving								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Other retail customers								
	0 to <0.15	2	0.1	65	45.0	0.0	0	4
	of which [0 to <0.10]	2	0.1	65	45.0	0.0	0	4
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	2	0.2	16	45.0	0.0	0	10
	0.25 to <0.50	0	0.4	14	45.0	0.0	0	17
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	0	1.3	10	45.0	0.0	0	30
	of which [0.75 to <1.75]	0	1.0	6	45.0	0.0	0	27
	of which [1.75 to <2.50]	0	1.9	4	45.0	0.0	0	34
	2.50 to <10.00	0	6.6	4	45.0	0.0	0	41
	of which [2.50 to <5.00]	0	3.6	1	45.0	0.0	0	38
	of which [5.00 to <10.00]	0	7.0	3	45.0	0.0	0	41
	10.00 to <100.00	0	16.2	2	45.0	0.0	0	54
	of which [10.00 to <20.00]	0	16.2	2	45.0	0.0	0	54
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**5**	**0.6**	**111**	**45.0**	**0.0**	**0**	**10**
of which: SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Non-SMEs								
	0 to <0.15	2	0.1	65	45.0	0.0	0	4
	of which [0 to <0.10]	2	0.1	65	45.0	0.0	0	4
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	2	0.2	16	45.0	0.0	0	10
	0.25 to <0.50	0	0.4	14	45.0	0.0	0	17
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	0	1.3	10	45.0	0.0	0	30
	of which [0.75 to <1.75]	0	1.0	6	45.0	0.0	0	27
	of which [1.75 to <2.50]	0	1.9	4	45.0	0.0	0	34
	2.50 to <10.00	0	6.6	4	45.0	0.0	0	41
	of which [2.50 to <5.00]	0	3.6	1	45.0	0.0	0	38
	of which [5.00 to <10.00]	0	7.0	3	45.0	0.0	0	41
	10.00 to <100.00	0	16.2	2	45.0	0.0	0	54
	of which [10.00 to <20.00]	0	16.2	2	45.0	0.0	0	54
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**5**	**0.6**	**111**	**45.0**	**0.0**	**0**	**10**
EQUITIES								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
TOTAL		**385**	**4.4**	**2,154**	**41.0**	**2.5**	**365**	**95**

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12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
CENTRAL GOVERNMENTS AND CENTRAL BANKS								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
INSTITUTIONS (BANKS)								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
CORPORATES								
	0 to <0.15	0	0.0	0	0.0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0.0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0.0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0.0	0.0	0	0
	0.50 to <0.75	85	0.7	855	34.3	2.5	55	65
	0.75 to <2.50	82	1.4	665	45.0	2.5	92	112
	of which [0.75 to <1.75]	61	1.2	457	45.0	2.5	65	108
	of which [1.75 to <2.50]	21	2.0	208	45.0	2.5	27	125
	2.50 to <10.00	61	4.7	474	45.0	2.5	97	159
	of which [2.50 to <5.00]	47	3.7	360	45.0	2.5	69	148
	of which [5.00 to <10.00]	14	7.9	114	45.0	2.5	28	193
	10.00 to <100.00	7	19.4	52	45.0	2.5	18	252
	of which [10.00 to <20.00]	5	15.9	32	45.0	2.5	13	246
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	2	30.8	20	45.0	2.5	5	271
	100.00 (default)	5	100.0	31	45.0	2.5	0	0
	Subtotal	**241**	**4.7**	**2,077**	**41.2**	**2.5**	**262**	**109**
of which: Specialized financing								
	0 to <0.15	0	0.0	0	0.0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0.0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0.0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0.0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0.0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0.0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0.0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0.0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0.0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0.0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0.0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0.0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0.0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0.0**	**0.0**	**0**	**0**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
RETAIL CUSTOMERS								
	0 to <0.15	3	0.1	79	45	0.0	0	3
	of which [0 to <0.10]	1	0.1	39	45	0.0	0	2
	of which [0.10 to <0.15]	2	0.1	40	45	0.0	0	3
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	1	0.3	22	45	0.0	0	5
	0.50 to <0.75	0	0.5	13	45	0.0	0	8
	0.75 to <2.50	0	1.6	18	45	0.0	0	13
	of which [0.75 to <1.75]	0	1.2	14	45	0.0	0	12
	of which [1.75 to <2.50]	0	2.2	4	45	0.0	0	15
	2.50 to <10.00	0	4.3	3	45	0.0	0	16
	of which [2.50 to <5.00]	0	4.3	3	45	0.0	0	16
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	10.5	6	45	0.0	0	19
	of which [10.00 to <20.00]	0	10.5	6	45	0.0	0	19
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**5**	**0.8**	**141**	**45**	**0.0**	**0**	**6**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Exposures secured by real estate mortgages								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
of which: SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Non-SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
of which: Revolving								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Other retail customers								
	0 to <0.15	3	0.1	79	45	0.0	0	3
	of which [0 to <0.10]	1	0.1	39	45	0.0	0	2
	of which [0.10 to <0.15]	2	0.1	40	45	0.0	0	3
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	1	0.3	22	45	0.0	0	5
	0.50 to <0.75	0	0.5	13	45	0.0	0	8
	0.75 to <2.50	0	1.6	18	45	0.0	0	13
	of which [0.75 to <1.75]	0	1.2	14	45	0.0	0	12
	of which [1.75 to <2.50]	0	2.2	4	45	0.0	0	15
	2.50 to <10.00	0	4.3	3	45	0.0	0	16
	of which [2.50 to <5.00]	0	4.3	3	45	0.0	0	16
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	10.5	6	45	0.0	0	19
	of which [10.00 to <20.00]	0	10.5	6	45	0.0	0	19
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**5**	**0.8**	**141**	**45**	**0**	**0**	**6**
of which: SMEs								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density *(in %)*
of which: Non-SMEs								
	0 to <0.15	3	0.1	79	45	0.0	0	3
	of which [0 to <0.10]	1	0.1	39	45	0.0	0	2
	of which [0.10 to <0.15]	2	0.1	40	45	0.0	0	3
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	1	0.3	22	45	0.0	0	5
	0.50 to <0.75	0	0.5	13	45	0.0	0	8
	0.75 to <2.50	0	1.6	18	45	0.0	0	13
	of which [0.75 to <1.75]	0	1.2	14	45	0.0	0	12
	of which [1.75 to <2.50]	0	2.2	4	45	0.0	0	15
	2.50 to <10.00	0	4.3	3	45	0.0	0	16
	of which [2.50 to <5.00]	0	4.3	3	45	0.0	0	16
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	10.5	6	45	0.0	0	19
	of which [10.00 to <20.00]	0	10.5	6	45	0.0	0	19
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**5**	**0.8**	**141**	**45**	**0.0**	**0**	**6**
EQUITIES								
	0 to <0.15	0	0.0	0	0	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	0	0.0	0	0	0.0	0	0
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	0.0	0	0	0.0	0	0
	of which [0.75 to <1.75]	0	0.0	0	0	0.0	0	0
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0	0.0	0	0
	100.00 (default)	0	0.0	0	0	0.0	0	0
	Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**
TOTAL		**246**	**4.7**	**2,218**	**41**	**2.5**	**263**	**107**

TABLE 49 BIS: IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE (EU CCR4) - IRBF METHOD

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density
INSTITUTIONS (BANKS)								
	0 to <0.15	8,154	0.1	144	15.1	1.7	416	5
	of which [0 to <0.10]	6,769	0.1	114	14.1	1.7	299	4
	of which [0.10 to <0.15]	1,385	0.1	30	19.7	1.7	117	8
	0.15 to <0.25	891	0.2	19	9.8	2.0	101	11
	0.25 to <0.50	604	0.4	13	7.1	1.6	52	9
	0.50 to <0.75	0	0.0	0	0.0	0	0	0
	0.75 to <2.50	381	1.0	2	1.1	0.5	0	0
	of which [0.75 to <1.75]	381	1.0	2	1.1	0.5	0	0
	of which [1.75 to <2.50]	0	0.0	0	0.0	0	0	0
	2.50 to <10.00	0	0.0	0	0.0	0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0.0	0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0.0	0	0	0
	10.00 to <100.00	0	0.0	0	0.0	0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0.0	0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0.0	0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0	0	0
	100.00 (default)	0	0.0	0	0.0	0	0	0
	Subtotal	**10,030**	**0.1**	**178**	**13.6**	**1.7**	**569**	**6**
CORPORATES								
	0 to <0.15	5,315	0.0	81	14.5	2.4	284	5
	of which [0 to <0.10]	4,690	0.0	36	10.4	2.3	67	1
	of which [0.10 to <0.15]	625	0.1	45	45.0	2.5	216	35
	0.15 to <0.25	313	0.2	55	45.0	2.5	152	48
	0.25 to <0.50	510	0.3	99	45.0	2.5	322	63
	0.50 to <0.75	131	0.7	80	45.0	2.5	119	90
	0.75 to <2.50	22	1.4	37	45.0	2.5	26	114
	of which [0.75 to <1.75]	22	1.4	37	45.0	2.5	26	114
	of which [1.75 to <2.50]	0	0.0	0	0.0	0	0	0
	2.50 to <10.00	108	3.9	57	45.0	2.5	166	153
	of which [2.50 to <5.00]	108	3.9	57	45.0	2.5	166	153
	of which [5.00 to <10.00]	0	0.0	0	0.0	0	0	0
	10.00 to <100.00	11	10.1	20	45.0	2.5	24	214
	of which [10.00 to <20.00]	11	10.1	20	45.0	2.5	24	214
	of which [20.00 to <30.00]	0	0.0	0	0.0	0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0	0	0
	100.00 (default)	9	100.0	4	45.0	2.5	0	0
	Subtotal	**6,421**	**0.3**	**433**	**19.7**	**2.5**	**1,091**	**17**
TOTAL		**16,451**	**20.0**	**611**	**16.0**	**2.2**	**1,661**	**10**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWEA density
INSTITUTIONS (BANKS)								
	0 to <0.15	6,005	0.1	143	14.4	1.8	325	5
	of which [0 to <0.10]	5,302	0.1	115	13.5	1.7	237	4
	of which [0.10 to <0.15]	702	0.1	28	21.4	2.0	88	12
	0.15 to <0.25	776	0.2	28	14.4	2.0	145	19
	0.25 to <0.50	58	0.4	5	45.0	1.4	3	5
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	18	1.0	2	14.4	1.5	7	42
	of which [0.75 to <1.75]	18	1.0	2	14.4	1.5	7	42
	of which [1.75 to <2.50]	0	0.0	0	0.0	0.0	0	0
	2.50 to <10.00	0	0.0	0	0.0	0.0	0	0
	of which [2.50 to <5.00]	0	0.0	0	0.0	0.0	0	0
	of which [5.00 to <10.00]	0	0.0	0	0.0	0.0	0	0
	10.00 to <100.00	0	0.0	0	0.0	0.0	0	0
	of which [10.00 to <20.00]	0	0.0	0	0.0	0.0	0	0
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	0	0.0	0	0.0	0.0	0	0
	Subtotal	**6,857**	**0.1**	**178**	**14.7**	**1.8**	**480**	**7**
CORPORATES								
	0 to <0.15	4,526	0.0	137	14.0	2.5	405	9
	of which [0 to <0.10]	4,082	0.0	74	10.8	2.5	248	6
	of which [0.10 to <0.15]	444	0.1	63	43.6	2.5	156	35
	0.15 to <0.25	0	0.0	0	0.0	0.0	0	0
	0.25 to <0.50	526	0.3	89	45.0	2.5	327	62
	0.50 to <0.75	0	0.0	0	0.0	0.0	0	0
	0.75 to <2.50	152	1.0	108	45.0	2.5	154	102
	of which [0.75 to <1.75]	152	1.0	108	45.0	2.5	154	102
	of which [1.75 to <2.50]	0	0.0	0	0.0	0.0	0	0
	2.50 to <10.00	150	3.3	72	45.0	2.5	219	146
	of which [2.50 to <5.00]	150	3.3	72	45.0	2.5	219	146
	of which [5.00 to <10.00]	0	0.0	0	0.0	0.0	0	0
	10.00 to <100.00	10	15.9	19	45.0	2.5	26	249
	of which [10.00 to <20.00]	10	15.9	19	45.0	2.5	26	249
	of which [20.00 to <30.00]	0	0.0	0	0.0	0.0	0	0
	of which [30.00 to <100.00]	0	0.0	0	0.0	0.0	0	0
	100.00 (default)	10	100.0	6	45	2.5	0	0
	Subtotal	**5,374**	**0.4**	**431**	**18.9**	**2.5**	**1,130**	**21**
TOTAL		**12,230**	**22.0**	**609**	**16.5**	**2.2**	**1,610**	**13**

TABLE 50: CREDIT DERIVATIVE EXPOSURES (EU CCR6)

	12/31/2023			12/31/2022		
	Credit derivative hedges			Credit derivative hedges		
(in € millions)	Protection bought	Protection sold	Other credit derivatives	Protection bought	Protection sold	Other credit derivatives
Notional amounts	-	-	-	-	-	-
Single-name credit default swaps	7,244	4,300	0	6,492	4,526	0
Index credit default swaps	1,840	1,456	0	2,295	2,447	0
Total index credit default swaps	0	0	0	0	0	0
Credit options	0	0	0	0	0	0
Other credit derivatives	0	0	0	0	0	0
TOTAL NOTIONAL AMOUNTS	**9,085**	**5,756**	**0**	**8,786**	**6,972**	**0**
Fair values	-	-	-	-	-	-
Positive fair value (asset)	8	116	0	38	76	0
Negative fair value (liability)	-158	-6	0	-92	-28	0

TABLE 51: RWA FLOW STATEMENTS OF CCR EXPOSURES UNDER THE INTERNAL MODEL METHOD (EU CCR7)

Crédit Mutuel Alliance Fédérale does not use internal models (IMM) for the treatment of derivatives and repurchase agreements.

TABLE 52: EXPOSURES TO CENTRAL COUNTERPARTIES (EU CCR8)

(in € millions)	2023		2022	
	Value at risk	Risk-weighted exposure amount (RWEA)	Value at risk	Risk-weighted exposure amount (RWEA)
Exposures to eligible central counterparties (total)	**-**	**34**	**-**	**27**
Exposures for transactions with eligible central counterparties (excluding initial margins and default fund contributions); of which	928	24	438	16
i) Over-the-counter derivatives	603	18	382	15
ii) Trading derivatives	20	0	20	0
iii) Equity financing transactions	305	6	36	1
iv) Netting sets in which cross-product netting has been approved	0	0	0	0
Segregated initial margin	2,790	-	2,412	-
Non-segregated initial margin	10	2	16	3
Pre-funded default fund contributions	50	7	62	8
Unfunded default fund contributions	0	0	0	0
Exposures to non-eligible central counterparties (total)	**-**	**0**	**-**	**0**
Trade exposures with non-QCCPs (excluding initial margin and default fund contributions); of which	0	0	0	0
i) Over-the-counter derivatives	0	0	0	0
ii) Trading derivatives	0	0	0	0
iii) Equity financing transactions	0	0	0	0
iv) Netting sets in which cross-product netting has been approved	0	0	0	0
Segregated initial margin	0	-	0	-
Non-segregated initial margin	0	0	0	0
Pre-funded default fund contributions	0	0	0	0
Unfunded default fund contributions	0	0	0	0

5.10 CREDIT RISK MITIGATION TECHNIQUES (EU CRC)

Financial, personal and physical collateral may be used directly to reduce the calculation of capital requirements measured for credit risk and included in the calculation of the group's solvency ratio. The use of guarantees as a risk mitigation technique is, however, subject to compliance with the eligibility and minimum requirement conditions imposed by the regulations.

5.10.1 Netting and collateralization of repurchase agreements and over-the-counter derivatives

When a framework agreement is entered into with a counterparty, the signatory entity nets the latter's exposure.

With credit institution counterparties, the Crédit Mutuel group supplements these agreements with collateralization agreements (CSA).

The operational management of these agreements is based on the TriOptima platform.

Regular margin calls significantly reduce the residual net credit risk on over-the-counter derivatives and repurchase agreements.

5.10.2 Description of the main categories of collateral taken into account by the institution

Crédit Mutuel Alliance Fédérale uses guarantees in different ways when calculating weighted risks, depending on the type of borrower, the calculation method applied for the exposure covered and the type of guarantee.

For retail banking customer contracts based on an advanced IRB approach, the guarantees are used as an element for segmenting the loss in the event of default, calculated statistically on all the group's non-performing loans and loans in litigation. For this scope, the group therefore does not use risk mitigation techniques in its capital requirements calculation.

For contracts in the "Sovereign" and "Institution" books and, to some extent, the "corporate" book, personal collateral and financial collateral are used as risk mitigation techniques, as defined by the regulations:

- personal collateral corresponds to the undertaking made by a third party to replace the primary debtor in the event of default by the latter. By extension, credit derivatives (protective calls) fall into this category;
- financial collateral is defined by the group as a right of the institution to liquidate, retain or obtain the transfer or ownership of certain amounts or assets such as pledged cash deposits, debt securities, shares or convertible bonds, gold, UCITS shares, life insurance contracts and instruments of any kind issued by a third party and repayable on request. Use of the guarantee is only effective if said guarantee meets the legal and operational criteria laid down by the regulations. Downstream processing to calculate weighted risks taking into account risk mitigation techniques is largely automated. Verification of compliance with the eligibility and minimum requirements conditions imposed by the regulations must be conducted and formalized when the guarantee is processed.

5.10.3 Procedures applied to the valuation and management of instruments constituting physical collateral

The valuation procedures for guarantees vary depending on the type of instrument comprising the physical collateral. Generally speaking, research carried out within the Crédit Mutuel group is based on statistical estimation methodologies, integrated directly into the applications, using external indices with potential discounts applied depending on the type of asset accepted as collateral (for example, the valuation of assets financed under finance leases takes into account the economic obsolescence of the asset). For real estate collateral, the initial valuation is generally calculated using the acquisition cost or construction value of the asset.

On an exceptional basis, specific procedures include expert valuations, particularly in cases where the limits set for outstandings are exceeded. These procedures are drawn up at the national level.

To perform the controls necessary for compliance with the conditions related to the guarantee agreements and the guarantors, the identification of guarantees in the information systems, and compliance with the standards and rules on eligibility in force at the Crédit Mutuel group, the regional groups use common tools and dedicated operational procedures that list the types of guarantees that are deemed eligible, present the IT mechanisms developed in the guarantee management applications to define eligibility and detail the questions that the asset manager must answer to determine the eligibility of the guarantee when it is processed. These procedures are regularly updated by CNCM and submitted for validation by the Basel III governance bodies. The permanent control department is involved in second-level controls to verify the eligibility and its justification.

The guarantee is periodically revalued over its lifetime in accordance with the rules set out in the procedure.

5

5.10.4 Main categories of protection providers

With the exception of intra-group guarantees, the main categories of protection providers taken into account are mutual guarantee companies such as Crédit Logement or CNP.

TABLE 53: CREDIT RISK MITIGATION (CRM) – GENERAL OVERVIEW (EU CR3)

12/31/2023 *(in € millions)*	Unsecured exposures – Carrying amount	Guaranteed exposures – Amount	*Of which collateralized exposures*[1]	*Of which exposures secured by financial guarantees*	*Of which exposures secured by credit derivatives*
1 - Loans and advances	365,002	322,555	280,480	42,075	0
1 - Debt securities	42,354	0	0	0	-
3 - TOTAL	**407,355**	**322,555**	**280,480**	**42,075**	**0**
4 - Of which non-performing exposures	3,073	5,076	3,172	1,904	0
5 - Of which defaulted	3,073	5,076	-	-	-

(1) Column containing secured exposures subject to a credit risk mitigation technique as defined by FINREP reporting. The guaranteed exposure amount includes retail customer contracts that are treated under the advanced IRB method and for which guarantees are used as a basis for segmentation of loss in the event of default.

Under the standardized approach, small discrepancies between exposure amounts before and after CRM that the impact of the collateral is not material. Potential concentrations resulting from CRM measures (by guarantor and by sector) are monitored as part of credit risk management and included in the quarterly report, in particular the monitoring of compliance with concentration limits (monitoring after taking into account guarantors). No specific concentration, excluding SGL,has resulted from implementation of CRM techniques.

12/31/2022 *(in € millions)*	Unsecured exposures – Carrying amount	Guaranteed exposures – Amount	*Of which collateralized exposures*[1]	*Of which exposures secured by financial guarantees*	*Of which exposures secured by credit derivatives*
1 - Loans and advances	357,296	312,361	267,868	44,493	0
1 - Debt securities	38,690	0	0	0	-
3 - TOTAL	**395,986**	**312,361**	**267,868**	**44,493**	**0**
4 - Of which non-performing exposures	2,671	4,262	2,615	1,646	0
5 - Of which defaulted	2,671	4,262	-	-	-

(1) Column containing secured exposures subject to a credit risk mitigation technique as defined by FINREP reporting. The guaranteed exposure amount includes retail customer contracts that are treated under the advanced IRB method and for which guarantees are used as a basis for segmentation of loss in the event of default.

TABLE 54: STANDARDIZED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS (EU CR4)

Exposure categories at 12/31/2023 *(in € millions)*	Pre-CCF and CRM exposures		Post-CCF and CRM exposures		RWAs and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 - Central governments and central banks	118,705	935	128,264	206	1,872	1%
2 - Regional or local authorities	5,930	406	6,133	122	1,187	19%
3 - Public sector (Public organizations excluding central administration)	48,481	366	49,213	400	0	0%
4 - Multilateral development banks	616	0	616	0	0	0%
5 - International organizations	1,427	0	1,427	0	0	0%
6 - Institutions (banks)	2,059	434	2,152	181	514	22%
7 - Corporates	24,478	20,337	23,462	3,931	24,671	90%
8 - Retail customers	46,257	14,712	45,975	1,280	34,304	73%
9 - Exposures secured by real estate mortgages	14,929	349	14,929	164	6,521	43%
10 – Exposures in default	3,653	116	3,542	56	4,036	112%
11 - Exposures presenting a particularly high risk	2,245	74	2,203	35	3,358	150%
12 - Covered bonds	111	0	111	0	11	10%
13 - Exposures from institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0%
14 - Exposures in the form of UCIT shares or equities	429	0	429	0	714	166%
15 - Equity exposure	785	0	785	0	786	100%
16 - Other assets	2,809	0	2,809	0	2,688	96%
17 - Total	**272,913**	**37,728**	**282,049**	**6,375**	**80,662**	**28%**

The Crédit Mutuel group does not use credit derivatives as a credit risk mitigation technique (zero impact on RWA).

Exposure categories at 12/31/2022 *(in € millions)*	Pre-CCF and CRM exposures		Post-CCF and CRM exposures		RWAs and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 - Central governments and central banks	131,323	925	142,629	166	1,712	1%
2 - Regional or local authorities	5,599	783	5,711	332	1,157	19%
3 - Public sector (Public organizations excluding central governments)	41,648	320	42,232	395	9	0%
4 - Multilateral development banks	1,064	0	1,064	0	0	0%
5 - International organizations	1,063	0	1,063		0	0%
6 - Institutions (banks)	1,718	331	1,819	139	412	21%
7 - Corporates	25,483	20,688	24,277	4,526	25,666	89%
8 - Retail customers	43,525	13,811	43,147	1,284	32,183	72%
9 - Exposures secured by real estate mortgages	16,177	598	16,176	292	7,187	44%
10 – Exposures in default	3,039	79	2,979	49	3,454	114%
11 - Exposures presenting a particularly high risk	1,980	158	1,937	77	2,995	149%
12 - Covered bonds	90	0	90	00	11	12%
13 - Exposures from institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0%
14 - Exposures in the form of UCIT shares or equities	538	0	538	0	719	134%
15 - Equity exposure	450	0	450	0	451	100%
16 - Other assets	2,805	0	2,805	0	2,714	97%
17 - Total	**276,501**	**37,692**	**286,917**	**7,259**	**78,670**	**27%**

TABLE 55: IRB APPROACH – EFFECT ON THE RWAS OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES (EU CR7)

The effect of credit derivatives as a CRM technique (EU CR7) is not material for Crédit Mutuel Alliance Fédérale.

TABLE 56: GUARANTEED EXPOSURES UNDER THE IRBA APPROACH (EU CR7-A)

		Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection[1]									Unfunded credit protection			
			Portion covered by other eligible collateral *(as a %)*				Portion covered by other forms of financed credit protection *(as a %)*							
IRBA exposures at 12/31/2023 *(in € millions)*	**Total exposures**	**Portion covered by financial guarantees** *(as a %)*		**Portion of the exposures covered by real estate collateral** *(%)*	**Portion of the exposures covered by receivables to be recovered** *(%)*	**Portion of the exposures covered by other eligible collateral** *(%)*		**Portion of the exposures covered by cash deposits** *(%)*	**Portion of the exposures covered by life insurance policies** *(%)*	**Portion of the exposures covered by third-party instruments** *(%)*	**Portion covered by guarantees** *(as a %)*	**Portion covered by credit derivatives** *(as a %)*	**RWEA without substitution effects (reduction effects only)**	**RWEA with substitution effects (reduction and substitution effects)**
1 - Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2- Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 - Corporates	70,546	0	0	0	0	0	0	0	0	0	4	0	33,774	32,822
3.1 - of which corporates - SMEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2 - of which corporates - Specialized financing	38,501	0	0	0	0	0	0	0	0	0	4	0	15,657	15,279
3.3 - of which corporates - Other	32,045	0	0	0	0	0	0	0	0	0	5	0	18,118	17,543
4 - Retail customers	325,323	0	0	0	0	0	0	0	0	0	1	0	40,995	39,276
4.1 - of which retail customers – Real estate – SMEs	35,314	0	0	0	0	0	0	0	0	0	0	0	6,768	6,768
4.2 - of which retail customers – Real estate – non-SMEs[2]	208,685	0	0	0	0	0	0	0	0	0	0	0	18,909	18,909
4.3 - of which retail customers – Eligible revolving exposures	9,550	0	0	0	0	0	0	0	0	0	0	0	1,193	1,193
4.4 - of which retail customers – Other SMEs	34,491	0	0	0	0	0	0	0	0	0	13	0	9,759	8,042
4.5 - of which retail customers – Other non-SMEs	37,283	0	0	0	0	0	0	0	0	0	0	0	4,366	4,363
5 - TOTAL	**395,869**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**74,769**	**72,098**

(1) Column only includes secured exposures that are subject to a credit risk mitigation technique in the regulatory sense. The small amount of secured exposures reflects the fact that for retail customer contracts based on an advanced IRB approach the guarantees are used as an element for segmenting the loss in the event of default and, as such, CRM techniques are not used.

(2) The ECB authorizes the group to reclassify these loans in the same exposure category as other "home loans" type loans.

IRBA exposures at 12/31/2022 *(in € millions)*	Total exposures	Credit risk mitigation techniques – Funded credit protection[1] – Portion covered by financial guarantees *(as a %)*	Portion covered by other eligible collateral *(as a %)*	Portion of the exposures covered by real estate collateral *(%)*	Portion of the exposures covered by receivables to be recovered *(%)*	Portion of the exposures covered by other eligible collateral *(%)*	Portion covered by other forms of financed credit protection *(as a %)*	Portion of the exposures covered by cash deposits *(%)*	Portion of the exposures covered by insurance policies *(%)*	Portion of the exposures covered by third-party instruments *(%)*	Unfunded credit protection – Portion covered by guarantees *(as a %)*	Unfunded credit protection – Portion covered by credit derivatives *(as a %)*	Credit risk mitigation techniques in the calculation of RWEAs – RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 - Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2- Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 - Corporates	71,291	0	0	0	0	0	0	0	0	0	6	0	34,355	32,661
3.1 - of which corporates - SMEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2 - of which corporates - Specialized financing	39,319	0	0	0	0	0	0	0	0	0	6	0	15,019	14,224
3.3 - of which corporates - Other	31,975	0	0	0	0	0	0	0	0	0	6	0	19,336	18,437
4 - Retail customers	319,354	0	0	0	0	0	0	0	0	0	2	0	39,501	38,040
4.1 - of which retail customers – Real estate – SMEs	31,489	0	0	0	0	0	0	0	0	0	0	0	7,107	7,107
4.2 - of which retail customers – Real estate – non-SMEs	154,449	0	0	0	0	0	0	0	0	0	0	0	17,368	17,368
4.3 - of which retail customers – Eligible revolving exposures	11,017		0	0	0	0	0	0	0	0	0	0	1,204	1,204
4.4 - of which retail customers – Other SMEs	36,906	0	0	0	0	0	0	0	0	0	16	0	8,093	6,634
4.5 - of which retail customers – Other non-SMEs	85,493	0	0	0	0	0	0	0	0	0	0	0	5,730	5,727
5 - TOTAL	**390,648**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**73,857**	**70,701**

(1) Column only includes secured exposures that are subject to a credit risk mitigation technique in the regulatory sense. The small amount of secured exposures reflects the fact that for retail customer contracts based on an advanced IRB approach the guarantees are used as an element for segmenting the loss in the event of default and, as such, CRM techniques are not used.

IRBF exposures at 12/31/2023 *(in € millions)*	Total exposures	Credit risk mitigation techniques – Funded credit protection: Portion covered by financial guarantees *(as a %)*	Portion covered by other eligible collateral *(as a %)*	Portion of the exposures covered by real estate collateral *(%)*	Portion of the exposures covered by receivables to be recovered *(%)*	Portion of the exposures covered by other eligible collateral *(%)*	Portion covered by other forms of financed credit protection *(as a %)*	Portion of the exposures covered by cash deposits *(%)*	Portion of the exposures covered by life insurance policies *(%)*	Portion of the exposures covered by third-party instruments *(%)*	Unfunded credit protection: Portion covered by guarantees *(as a %)*	Portion covered by credit derivatives *(as a %)*	Credit risk mitigation techniques in the calculation of RWEAs: RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 - Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2- Institutions	28,895	0	0	0	0	0	0	0	0	0	6	0	7,765	7,107
3 - Corporates	74,755	2	0	0	0	0	0	0	0	0	5	0	53,471	51,792
3.1 - of which corporates - SMEs	12,871	2	0	0	0	0	0	0	0	0	0	0	10,166	10,166
3.2 - of which corporates - Specialized financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 - of which corporates - Other	61,884	1	0	0	0	0	0	0	0	0	6	0	43,305	41,626
4 - TOTAL	**103,650**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**00**	**61,236**	**58,899**

IRBF exposures at 12/31/2022 *(in € millions)*	Total exposures	Credit risk mitigation techniques – Funded credit protection: Portion covered by financial guarantees *(as a %)*	Portion covered by other eligible collateral *(as a %)*	Portion of the exposures covered by real estate collateral *(%)*	Portion of the exposures covered by receivables to be recovered *(%)*	Portion of the exposures covered by other eligible collateral *(%)*	Portion covered by other forms of financed credit protection *(as a %)*	Portion of the exposures covered by cash deposits *(%)*	Portion of the exposures covered by life insurance policies *(%)*	Portion of the exposures covered by third-party instruments *(%)*	Unfunded credit protection: Portion covered by guarantees *(as a %)*	Portion covered by credit derivatives *(as a %)*	Credit risk mitigation techniques in the calculation of RWEAs: RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 - Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2- Institutions	26,924	0	0	0	0	0	0	0	0	0	0	0	6,443	6,414
3 - Corporates	70,886	2	0	0	0	0	0	0	0	0	4	0	50,449	47,826
3.1 - of which corporates - SMEs	11,561	2	0	0	0	0	0	0	0	0	0	0	9,196	9,196
3.2 - of which corporates - Specialized financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 - of which corporates - Other	59,325	2	0	0	0	0	0	0	0	0	5	0	41,253	38,630
4 - TOTAL	**97,811**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**56,892**	**54,240**

TABLE 57: COMPOSITION OF COLLATERAL FOR CCR EXPOSURES (EU CCR5)

12/31/2023 *(in € millions)* Type of collateral	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation
Cash – national currency	3	1,692	2,639	810	0	406	0	132
Cash – other currencies	2	301	124	2,273	0	230	0	57
National sovereign debt	0	0	0	0	0	6,407	33	6,838
Other sovereign debt	0	0	0	0	0	2,774	0	2,018
Public administration debt	0	0	0	0	0	0	0	326
Corporate bonds	0	0	0	0	0	1,611	0	2,111
Equities	0	0	0	0	0	888	0	137
Other collateral	0	0	0	0	0	4,620	0	6,286
TOTAL	**6**	**1,993**	**2,763**	**3,084**	**0**	**16,936**	**33**	**17,906**

Segregated: refers to collateral that is protected from default.

12/31/2022 *(in € millions)* Type of collateral	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation
Cash – national currency	4	4,384	2,348	1,645	0	425	0	187
Cash – other currencies	9	556	78	2,813	0	193	0	138
National sovereign debt	0	0	0	0	0	5,219	0	5,264
Other sovereign debt	0	0	0	0	0	2,678	0	2,697
Public administration debt	0	0	0	0	0	341	0	510
Corporate bonds	0	0	0	0	0	1,570	0	1,465
Equities	0	0	0	0	0	803	0	42
Other collateral	0	0	0	0	0	4,965	0	7,013
TOTAL	**13**	**4,940**	**2,425**	**4,458**	**0**	**16,194**	**0**	**17,317**

5.11 SECURITIZATION (EU SECA)

5.11.1 Objectives pursued

In connection with its Capital Markets, the group conducts operations in the securitization market by taking up investment positions with three objectives: achieving returns, taking risks and diversifying. The risks primarily concern credit risk on the underlying assets and liquidity risk, particularly with the changes in the European Central Bank's eligibility criteria.

The activity is exclusively an investor activity with senior or mezzanine tranches, which always have external ratings.

For specialized financing facilities, the group supports its customers as a sponsor (arranger or co-arranger) or sometimes as an investor with the securitization of commercial loans. The conduit used is the tool called Satellite, set up in November 2019. It subscribes for senior units in securitization vehicles and issues commercial paper.

Satellite is a securitization company set up in the form of a *société par actions simplifiée* (simplified joint stock company) sponsored by the Crédit Industriel et Commercial bank. The ABCP issuance programs of the Satellite are rated A-1 (sf) by S&P Global Ratings and P-1 (sf) by Moody's France SAS. The ABCP issuance programs of the Satellite conduit will enable Crédit Mutuel Alliance Fédérale to build an alternative source of short-term financing and, in particular, refinance the bank's securitization transactions with its corporate customers.

This conduit benefits from a liquidity line granted by the group which guarantees the placement of its commercial paper. The group is exposed mainly to credit risk on the portfolio of transferred loans and to the risk of the Capital Markets drying up.

5.11.2 Control and monitoring procedures for Capital Markets

Market risks on securitization positions are monitored by the risk and results control (CRR) function, focusing on various areas, with daily procedures making it possible to monitor changes in market risks. The CRR analyzes changes in the results of securitization strategies each day and explains them in relation to the risk factors. It monitors compliance with the limits set by the body of rules and approved by the group lending department. The limits are reviewed at least once a year. The body of rules strictly governs the investment and risk portfolios.

The group also observes the credit quality of the securitization tranches on a daily basis by monitoring the ratings set by the external credit rating agencies Standard & Poor's, Moody's and Fitch Ratings. The actions taken by these agencies (upgrades, downgrades or watches) are analyzed. In addition, a quarterly summary of rating changes is drawn up.

In connection with the procedure for managing counterparty limits, the following work is carried out: in-depth analysis of securitizations that have reached the level of delegation for group commitments, analysis of certain sensitive securitizations (from peripheral Eurozone countries or countries subject to significant downgrades). The purpose of these analyses is notably to assess the position's level of credit and the underlying performances.

In addition, each securitization tranche, irrespective of the delegation level, is covered by a form. These forms incorporate the main characteristics of the tranche held, as well as the structure and the underlying portfolio. For securitizations issued from January 1, 2011, information on the underlying asset's performances has been added. This information is updated once a month. The branches' pre-sales documentation and the issue prospectuses are also recorded and made available with the forms, in addition to the investor reports for securitizations issued from January 1, 2011.

A stress test system is also deployed with the aim of measuring the impact of various scenarios on the tranches held. During 2021, the system was enhanced and entirely revised. The main parameters to which the scenarios apply variations are prepayments, defaults and recovery rates.

Monthly stress tests are also carried out on the portfolios. An asset quality review (AQR) was conducted by the European Central Bank in 2014 and completed by Stress Tests in 2014, 2016, 2018, 2021 and once again in 2023, with very satisfactory results.

5.11.3 Quantified data related to Capital Markets

In the 2023 fiscal year, group securitization investments increased by €251 million (up 3%) and represented a book value of €8.7 billion in off-balance sheet and on-balance sheet as of December 31, 2023. The investments of the Capital Markets arm of Crédit Mutuel Alliance Fédérale – called CIC Marchés – account for 80% of its securitization outstandings. The statistics in the tables presented in this section in 2023 do not include €4.7 billion of off-balance sheet and on-balance sheet (€3.7 billion in 2022) of securitizations not in tranches sponsored by the American agencies Ginnie-Mae (Government National Mortgage Association), SBA (Small Business Administration), Freddie Mac (Federal Home Loan Mortgage Corporation) and Fannie Mae (Federal National Mortgage Association). These tranches are fully, unconditionally and irrevocably guaranteed by the American government. They are thus treated as sovereign exposures and classed under US government exposures. The issues of Ginnie-Mae and SBA are fully, unconditionally and irrevocably guaranteed by the United States government and therefore treated as sovereign exposures and classified as exposures to US central administrations and the issues of Freddie Mac and Fannie Mae are classified as Corporate exposures. These investments are thus no longer recognized under the Basel regulatory framework's "Securitization" classification.

Securitization portfolios are managed on a prudent basis and comprise mainly senior securities with high credit ratings. Almost all of the figures are Investment grade (99.9% of which 16% not rated externally but equivalent to Investment grade for Satellite prices), most of which are rated AAA, with the entire securitization subject to close monitoring. The portfolios are diversified, both in terms of type of exposure (RMBS, CLO, ABS auto loans, ABS consumer loans, ABS credit cards) and geographic exposure (United States, France, Germany, Italy and Spain).

TABLE 58: BREAKDOWN OF SECURITIZATION OUTSTANDINGS

Breakdown of assets by portfolio *(in € millions)*	**12/31/2023**	**12/31/2022**
Banking Book	8,488	8,099
Trading Book	213	351
TOTAL OUTSTANDINGS[1]	**8,701**	**8,450**

(1) These outstandings do not include the tranches sponsored by the US branches Ginnie Mae and SBA.

Investment grade/non-investment grade outstandings *(as a %)*	**12/31/2023**	**12/31/2022**
Investment Grade category (of which AAA 78%)	84%	85%
Non-Investment Grade category	0%	0%
Not rated externally equivalent to full consolidation	16%	15%
TOTAL	**100%**	**100%**

Geographic breakdown of outstandings	12/31/2023
United States	37%
France	29%
The Netherlands	7%
Germany	3%
United Kingdom	3%
Spain	7%
Italy	5%
Australia	3%
Ireland	2%
Belgium	0%
Luxembourg	0%
Portugal	0%
Austria	1%
Finland	1%
Greece	1%
Hong Kong	0%
Switzerland	0%
South Korea	0%
Norway	0%
TOTAL	**100%**

5.11.4 Capital Markets credit risk hedging policies

Capital Markets traditionally involve the purchase of securities. However, purchases of credit default swaps for hedging purposes may be authorized and, as applicable, are governed by Capital Market procedures.

5.11.5 Prudential approaches and methods

Entities included in the scope for approval of the credit risk internal rating approach apply the ratings-based method (SEC-ERBA). Otherwise, the standardized approach is retained.

5.11.6 Accounting policies and principles

Securitization securities are recognized on the basis of their accounting classification in the same way as for other debt securities. The accounting policies and principles are presented in note 1a to the financial statements.

5.11.7 Exposures by type of securitization

Since January 1, 2019, securitization risks are covered by Regulation (EU) 2017/2401, amending Regulation (EU) 575/2013 (CRR).

This regulation revises the existing approaches (internal ratings, standardized approach) and introduces a new approach based on external ratings for the calculation of capital requirements, which have been strengthened.

The exposures indicated above are net of provisions and the exposures measured using the internal ratings method and weighted at 1,250% are deducted from capital.

TABLE 59: SECURITIZATION EXPOSURES IN THE NON-TRADING BOOK (EU SEC1)

12/31/2023 *(in € millions)*	The institution acts as sponsor				The institution acts as investor			
	Classic		Summa-rized	Subtotal	Classic		Summa-rized	Subtotal
	STS	Non STS			STS	Non STS		
1 - Total exposures	**0**	**848**	**0**	**0**	**2,475**	**5,165**	**0**	**8,488**
2 - Retail customers (total)	0	0	0	0	2,019	853	0	2,873
3 - Residential mortgages	0	0	0	0	683	557	0	1,240
4 - Credit cards	0	0	0	0	72	0	0	72
5 - Other retail customer exposures	0	0	0	0	1,265	296	0	1,561
6 - Resecuritization	0	0	0	0	0	0	0	0
7 - Wholesale customers (total)	0	848	0	0	456	4,312	0	5,615
8 - Corporate loans	0	0	0	0	0	3,851	0	3,851
9 - Commercial mortgages	0	0	0	0	0	0	0	0
10 - Lease payments and receivables	0	848	0	0	456	461	0	1,764
11 - Other wholesale customer exposures	0	0	0	0	0	0	0	0
12 - Resecuritization	0	0	0	0	0	0	0	0

Crédit Mutuel Alliance Fédérale does not act as an originator.

12/31/2022 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**2,328**	**5,771**	**0**	**8,099**
Retail customers (total)	1,795	731	0	2,526
Residential mortgages	625	485	0	1,110
Credit cards	68	0	0	68
Other retail customer exposures	1,102	246	0	1,348
Resecuritization	0	0	0	0
Wholesale customers (total)	533	5,040	0	5,573
Corporate loans	0	3,996	0	3,996
Commercial mortgages	0	0	0	0
Lease payments and receivables	533	1,044	0	1,577
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

Crédit Mutuel Alliance Fédérale is not acting as an originator or sponsor.

TABLE 60: SECURITIZATION EXPOSURES IN THE TRADING BOOK (EU SEC2)

12/31/2023 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**208**	**5**	**447**	**660**
Retail customers (total)	208	4	0	212
Residential mortgages	112	4	0	116
Credit cards	0	0	0	0
Other retail customer exposures	96	0	0	96
Resecuritization	0	0	0	0
Wholesale customers (total)	0	1	0	1
Corporate loans	0	0	0	0
Commercial mortgages	0	0	0	0
Lease payments and receivables	0	1	0	1
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

Crédit Mutuel Alliance Fédérale is not acting as an originator or sponsor.

12/31/2022 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**271**	**80**	**459**	**810**
Retail customers (total)	271	30	0	301
Residential mortgages	115	30	0	145
Credit cards	0	0	0	0
Other retail customer exposures	156	0	0	156
Resecuritization	0	0	0	0
Wholesale customers (total)	0	50	0	50
Corporate loans	0	0	0	0
Commercial mortgages	0	0	0	0
Lease payments and receivables	0	50	0	50
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

Crédit Mutuel Alliance Fédérale is not acting as an originator or sponsor.

TABLE 61: SECURITIZATION POSITIONS AND RISK-WEIGHTED ASSETS – ORIGINATOR AND SPONSOR (EU SEC3)

12/31/2023 *(in € millions)*	Securities at risk (by weighting range/deductions)					Value at risk (by regulatory approach)				Weighted exposure amount (by regulatory approach)				Capital requirement after application of the cap			
	Weighting ≤ 20%	Weighting > 20% and ≤ 50%	Weighting > 50% and ≤ 100%	Weighting > 100% and < 1,250%	Weighting 1,250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/deductions
Total exposures	**848**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**112**	**0**	**0**	**0**	**9**	**0**
Traditional transactions	848	0	0	0	0	0	0	0	0	0	0	112	0	0	0	9	0
Securitization	848	0	0	0	0	0	0	0	0	0	0	112	0	0	0	9	0
Retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which STS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale customers	848	0	0	0	0	0	0	0	0	0	0	112	0	0	0	9	0
Of which STS	300	0	0	0	0	0	0	0	0	0	0	30	0	0	0	2	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic transactions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

At December 31, 2023, Crédit Mutuel Alliance Fédérale does not act as an originator.

TABLE 62: SECURITIZATION POSITIONS AND RISK-WEIGHTED ASSETS – INVESTORS (EU SEC4)

12/31/2023 *(in € millions)*	Securities at risk (by weighting range/deductions)					Value at risk (by regulatory approach)				Weighted exposure amount (by regulatory approach)				Capital requirement after application of the cap			
	Weighting ≤ 20%	Weighting > 20% and ≤ 50%	Weighting > 50% and ≤ 100%	Weighting > 100% and < 1,250%	Weighting 1,250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/deductions
Total exposures	**7,154**	**144**	**81**	**261**	**0**	**0**	**7,116**	**524**	**0**	**0**	**1,487**	**79**	**0**	**0**	**119**	**6**	**0**
Classic securitization	7,154	144	81	261	0	0	7,116	524	0	0	1,487	79	0	0	119	6	0
Securitization	7,154	144	81	261	0	0	7,116	524	0	0	1,487	79	0	0	119	6	0
Retail underlying	2,792	65	12	3	0	0	2,872	0	0	0	403	0	0	0	32	0	0
Of which STS	2,008	7	5	0	0	0	2,019	0	0	0	227	0	0	0	18	0	0
Wholesale customers	4,361	79	70	258	0	0	4,244	524	0	0	1,084	79	0	0	87	6	0
Of which STS	455	1	0	0	0	0	386	70	0	0	39	7	0	0	3	1	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

12/31/2022 *(in € millions)*	Securities at risk (by weighting range/deductions) Weighting ≤ 20%	Weighting > 20% and ≤ 50%	Weighting > 50% and ≤ 100%	Weighting > 100% and < 1,250%	Weighting 1,250%/ deductions	Value at risk (by regulatory approach) SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions	Weighted exposure amount (by regulatory approach) SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions	Capital requirement after application of the cap SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions
Total exposures	**7,662**	**138**	**54**	**246**	**0**	**0**	**6,861**	**1,237**	**0**	**0**	**1,459**	**182**	**0**	**0**	**117**	**15**	**0**
Classic securitization	7,662	138	54	246	0	0	6,861	1,237	0	0	1,459	182	0	0	117	15	0
Securitization	7,662	138	54	246	0	0	6,861	1,237	0	0	1,459	182	0	0	117	15	0
Retail underlying	2,441	66	15	3	0	0	2,525	0	0	0	364	0	0	0	29	0	0
Of which STS	1,775	13	7	0	0	0	1,795	0	0	0	211	0	0	0	17	0	0
Wholesale customers	5,220	72	39	243	0	0	4,336	1,237	0	0	1,095	182	0	0	88	15	0
Of which STS	2,839	16	0	0	0	0	2,461	200	0	0	35	20	0	0	3	2	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 63: EXPOSURES SECURITIZED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS (EU SEC5)

	Exposures securitized by the institution - the institution acts as originator or sponsor			
	Total nominal amount outstanding		Total amount of specific credit risk adjustments made during the period	
12/31/2023 *(in € millions)*		Of which exposures in default		Of which exposures in default
Total exposures	**481**	**0**	**0**	**0**
Retail customers (total)	0	0	0	0
Residential mortgages	0	0	0	0
Credit cards	0	0	0	0
Other retail customer exposures	0	0	0	0
Resecuritization	0	0	0	0
Wholesale customers (total)	481	0	0	0
Corporate loans	0	0	0	0
Commercial mortgages	0	0	0	0
Lease payments and receivables	481	0	0	0
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

At December 31, 2023, Crédit Mutuel Alliance Fédérale does not act as an originator.

5.12 RISK OF CAPITAL MARKETS (EU MRA)

5.12.1 General organization

The group's Capital Markets are organized around three business lines: group treasury (transactions which are mainly recognized in BFCM's balance sheet), commercial, and fixed-income, equity and credit products (recognized on CIC's balance sheet), with the latter two business lines constituting CIC Marchés. The management of these three business lines is "sound and prudent."

Activities are carried out in France and in branches in London (group treasury and investment), New York (investment) and Singapore (investment and commercial). Crédit Mutuel Alliance Fédérale's appetite for Capital Markets is very low. The capital allocation for market risks represented 1% of the group's total equity at the end of 2023.

Group treasury

This business line is organized into three teams, one of which is dedicated to cash and liquidity management. It centralizes all of Crédit Mutuel Alliance Fédérale's refinancing activities and ensures the regulatory management of its liquidity assets. It continues its policy to diversify its investor base in Paris and London, as well as in the United States (US 144A format) and in Asia (Samurai format) and its refinancing tools, including Crédit Mutuel Home Loan SFH. A second team is dedicated to collateral management and monitoring and a third to the bank's settlement activities (including the various risks which are integrated into the business line risks).

Most of these products are monetary or debt instruments (money market and bonds) and futures used to hedge interest rates and exchange rates.

In addition to pure refinancing positions, this business line also includes a portfolio of available-for-sale securities which are held mainly for use in the event of a liquidity crisis.

Commercial

CIC Market Solutions is the division in charge of commercial activities within CIC Marchés. It is a comprehensive platform of market solutions for customers on all primary and secondary markets that also offer depository solutions (UCI depository and securities account keeping). In particular, it enables the group to better assist customers with their market financing.

The sales teams have access to a unified range of tools and products. They are organized into five activities.

The Secondary Market Solutions (SMS) team, which comprises the Global Fixed-income/Currency/Commodity Execution Solutions and operates from Paris or within the regional banks, is responsible for the marketing of OTC hedging products (interest rate, currency, equity, commodity). It aims to optimize prices, preserve commercial margins and reverse positions on exchange rate and interest rate instruments.

The Global Execution Solutions offering also markets underlying equities, bonds and derivatives. In parallel, the Execution teams are assisted by the Solution Sales teams.

The Equity Sales activity, carried out in Paris, is also carried out through the subsidiary CIC Market Solutions Inc., a broker-dealer regulated by FINRA, wholly owned by CIC, whose operational headquarters are located in CIC NY with a clientele of professional investors in the United States and Canada.

Global Execution Solutions are supplemented by Bond Liquidity, comprising Bond Market Making and Bond Facilitation. In addition, within SMS, the Specific Commercial Resources activity manages the hedging transactions carried out on behalf of ALM, including the transformation of callable issues into vanilla resources.

The Investment Solutions (IS) team uses CIC's issuance program to market investment products such as CIC EMTN aimed at the customers of Crédit Mutuel's and CIC's different networks, as well as institutional, corporate and retail customers. In the event of partial marketing or early exit by customers, the IS team may have to temporarily carry securities which would restrict capital allocation.

The other three commercial activities do not present any market or credit risk. These include Global Research, Primary Market Solutions and Custody Solutions.

Regarding CIC Market Solutions scope, there is no market risk for commodities including agricultural commodities as these operations involve pure back-to-back transactions.

These are carried out at the request of the customer on over-the-counter derivative instruments. CIC Market Solutions has no influence over commodity prices.

Fixed-Income-Equities-Credit Investments

This business line, also part of CIC Marchés, is organized around desks specialized in investments in equities/hybrid instruments, credit spreads and fixed income. These activities mainly involve purchases and sales of financial securities acquired with the view to holding them for a long period of time, as well as for trading in related financial instruments. These activities must create value in a disciplined risk environment in order to drive commercial development and provide expertise or services to other group entities.

5.12.2 Control system

The control system is underpinned by a reference framework and a dedicated organizational structure.

The reference framework integrates a unified system of limits that structure the Capital Markets, including those applied by CIC branches. This reference framework is formalized in two "bodies of rules."

A CIC Marchés set of rules for the Commercial and Investment business lines and a group treasury set of rules. Regular updates are carried out throughout the year to include the introduction of new products and risk-measurement monitoring improvements, and a complete formal validation conducted at least once a year.

The group has adopted a trading policy for allocating market transactions to one of the two prudential books, the banking book and the trading book.

This policy covers both the investment and commercial business lines (CIC Marchés) and the transactions carried out by group treasury. For the investment business line, an annex to the policy provides a granular definition – by investment specialty – of the holding period for positions, the prudential classification and the justification for the classification.

Both the reference framework and the application of the trading policy are subject to specific controls within the context of the first-level permanent control process.

The organizational structure is underpinned by the players, functions and a comitology procedure dedicated to Capital Markets.

The front-office units that execute transactions are separated from those responsible for monitoring risks and results (control function) and from those in charge of transaction validation, settlement and recording (back office function).

The internal control teams operate under the responsibility of the group risk department, which compiles scorecards summarizing risk exposures and presents the level of capital allocated/consumed to be approved by the Board of Directors of CIC and BFCM.

The permanent control system is based on first-level controls performed by three post-market teams: (i) the risks and results control (CRR) team which validates production, monitors results on a daily basis and ensures compliance with limits, (ii) the post-market accounting and regulatory (PMCR) team responsible for reconciling accounting and economic results, as well as regulatory matters, and (iii) the legal and tax (JFM) team in charge of first-level legal and tax compliance.

Second-level controls are organized around (i) the group Capital Market permanent control function, which reports to the permanent controls function, supervises first-level permanent controls carried out by CIC Marchés and conducts its own direct controls on activities, (ii) the group lending department, which monitors at-risk outstandings for each counterparty group, (iii) the group legal and tax department, which works with CIC Marchés' legal and tax teams, and (iv) CIC's finance department, which supervises accounting procedures and templates and is responsible for accounting and regulatory controls.

The third-level of controls are organized around (i) periodic controls of Crédit Mutuel Alliance Fédérale performed retrospectively by a team of specialist auditors who carry out audits, controls and compliance checks relating to Capital Markets, and (ii) the general inspection of Confédération Nationale du Crédit Mutuel (CNCM), which supplements the audits performed by periodic business-line controls.

A Market Risk Committee (CRM) that meets monthly and a Group Treasury Risk Committee (CRTG) that meets quarterly monitor the strategy, results and risks of CIC Marchés (in France and in the branches) and group treasury, respectively, within the limits set by the Board of Directors of CIC and BFCM.

The Market Risk Committee is chaired by the Chief Executive Officer of CIC and BFCM and includes the Deputy Chief Executive Officer of BFCM, who is in charge of Crédit Mutuel Alliance Fédérale's Finance division, and the group's liquidity and treasury department, members of CIC Marchés Management Committee, the heads of the group risk and lending departments, the group's head of Compliance and the head of the Permanent Control department.

It approves the operational limits set within of the general limits set by the Boards of Directors of CIC and BFCM, which are kept regularly informed on the risks and results of these activities.

The Group Treasury Risk Committee is chaired by the Chief Executive Officer of CIC and BFCM; it includes the Deputy Chief Executive Officer of BFCM in charge of Crédit Mutuel Alliance Fédérale's Finance division and of group liquidity and treasury, the heads of the group treasury front office, the head of the group ALM, the heads of the post-market teams and the head of the group risk department. The committee analyzes transactions related to market refinancing, refinancing of group entities and liquidity assets.

The Group Risk Committee (executive level) and the Group Risk Monitoring Committee (specialized committee of the deliberative body), both of which are supervised by the group risk department, conduct quarterly analyses of all the risks to which the group is exposed, including market risks. They review outstandings, risks, results, capital consumption (regulatory and internal), regulatory developments and ongoing projects and audits (internal and external) for Capital Markets.

TABLE 64: MARKET RISK UNDER THE STANDARDIZED APPROACH (EU MR1)

	12/31/2023		12/31/2022	
(in € millions)	Risk-weighted assets	Capital Requirements	Risk-weighted assets	Capital Requirements
Outright products	-	-	-	-
1 – Interest rate risk (general and specific)	868	69	992	79
2 – Equity risk (general and specific)	752	60	787	63
3 – Currency risk	505	40	505	40
4 – Commodity risk	2	0	1	0
Options	-	-	-	-
5 – Simplified approach	0	0	0	0
6 – Delta-plus method	36	3	13	1
7 – Scenario approach	3	0	4	0
8 – Securitization (specific risk)	115	9	161	13
9 – TOTAL	**2,281**	**182**	**2,463**	**197**

5.12.3 Risk management

The system used to set exposure limits for market risk is based on:

- a global limit for regulatory capital (CAD/European capital adequacy) based on a standard internal measurement close to the regulatory value, broken down by desk, and by VaR (or stressed VaR);
- internal rules and scenarios (CAD risks, historical VaR and stress tests) which convert exposures into potential losses.

The limit system covers various types of market risk (interest rate, currency, equity and counterparty risks). The overall limit is broken down into sub-limits for each type of risk for each activity.

If the overall limit and/or the limit assigned to each business line is exceeded, the group risk department is responsible for monitoring and managing the excess exposure.

Risks are monitored on the basis of first-tier indicators, such as sensitivity to various market risk factors (mainly for traders), and second-tier indicators, such as potential losses, to give decision-makers an overview of Capital Market exposures.

The capital allocated in 2023 for the fixed-income-equity-credit and commercial investment business lines slightly increased overall compared to 2022 in order to take into account the calculation in regulatory measures and no longer of internal standard measures. For 2024, the limits have been revised upwards to reflect the further continued development of investment activities, particularly in London and Singapore. The capital allocated for the CVA expense is also calculated for the risk monitoring system.

The VaR of Crédit Mutuel Alliance Fédérale's trading book ended 2023 at €5.4 million. A general stress test policy and a stress mechanism also help to manage risk, and there is an escalation procedure if limits are exceeded. In addition, a stressed VaR limit is monitored, including by desk for the Investment business line.

The most strategic indicators and limits are included in the Risk Appetite Framework of Crédit Mutuel Alliance Fédérale and CIC, overseen by the group risk department.

Capital market activities carried out in the New York, Singapore and London branches are subject to limits under the supervision of CIC Marchés.

The daily treasury position of CIC and BFCM must not exceed a limit set at €1 billion for 2023 (the same for 2024), with an intermediate alert level defined by management and validated by the Boards of Directors of CIC and BFCM. The refinancing period for portfolio assets is also subject to monitoring and limits.

The principal CIC Marchés and group treasury trading floor risks are as follows:

Hybrids

The capital allocation was €80 million on average in 2023 and €87 million at the end of the year. The stock of convertible bonds was stable at €2 billion at the end of 2023.

Credit

The positions correspond to securities in corporate or financial entities or securities/CDS arbitrage (credit default swap), as well as to secured paper (securitization, covered bonds).

On the corporate and financial loan portfolio, capital allocation started the year at €61 million and gradually increased throughout the year until May, when it reached €80 million, finishing at €65 million at the end of 2023. The changes in activity are mainly due to the increase in the relative share of the positions in the Banking Book during the year. For the secured paper portfolio, risk consumption was relatively stable, with a very large proportion of securities with a very good external rating (AAA), and fluctuated around €64 million (€61 million at year-end).

M&A and other activities

Capital allocation averaged €49 million in 2022, reaching a high of €77 million in September. These movements follow the evolution of M&A outstandings.

The latter amounted to €338 million in September 2023, up by €170 million compared to January. It ended the year at €146 million, one of the lowest levels of the year, with the pool of transactions being very limited, particularly in Europe.

Fixed income

These are mainly directional investments and yield-curve arbitrage, typically with European underlying government securities.

Positions on peripheral countries are very limited. Total outstanding government securities amounted to €1 billion at the end of 2023 compared to €1.5 billion at the end of 2022, of which €0.7 billion in France.

Refinancing

BFCM's capital allocation mainly relates to the HQLA portfolio. This is calculated based on the CAD and the RES.

In February 2023, capital allocation fell by around €40 million to €87 million after applying the strictly regulatory method (*vs*. standard internal measure authorized until then). It then moved to an average of €91 million, reaching a high in June at €98 million and ended the year at €89 million.

The changes over the year mainly relate to off-balance sheet RES and are concentrated on the Institutions scope.

5.12.4 Model-based risk

CIC Marchés' risks and results control (CRR) team is in charge of developing the specific models used to value its positions.

In 2023, there were four of these models (unchanged from the previous year). These models are governed by a general policy validated annually by the Market Risk Committee.

The policy provides for development and documentation by the CRR, monitoring of model performance also produced by the CRR and reviewed by the group permanent control and the group risk department, for presentation to the Market Risk Committee. These models are also included in the audit program undertaken by the general inspection - Audit business line.

5.12.5 Credit derivatives

These products are used by CIC Marchés and are included in its trading book.

CIC Marchés monitors risk limits by issuer or counterparty for all types of products. Outstandings are tracked daily and governed by limits periodically reviewed by the bodies designated for that purpose (commitments committees, Market Risk Committees).

5.13 ASSET-LIABILITY MANAGEMENT (ALM) RISK

5.13.1 General organization

For Crédit Mutuel Alliance Fédérale, asset-liability management (ALM) mainly involves the management of liquidity and interest rate risks. This management is centralized.

The decision making committees of Crédit Mutuel Alliance Fédérale or matters concerning liquidity and interest rate risk management comprise the following decision making levels:

- technical committees focused on the analysis of risks, in particular liquidity and interest rate risks, as well as coordination between business lines for optimized management and support decision making;
- monitoring committees who conduct regular reviews of the technical committees' decisions and set alert thresholds and limits. They provide important support in the global management of risks, in keeping with the group's risk profile;
- control committees tasked with overseeing the procedures and reporting to the governance bodies.

Hedging decisions are made to maintain the risk indicators within the limits and alert thresholds set at a global level for Crédit Mutuel Alliance Fédérale and the group's banks. Hedges are assigned to the banks concerned, in accordance with their needs.

Analyses concerning liquidity and interest rate risks are presented quarterly to the Group Risk Committee and the Group Risk Monitoring Committee.

Interest rate risk and liquidity risk are also reviewed every six months by the Boards of Directors of Caisse Fédérale de Crédit Mutuel and the other entities of Crédit Mutuel Alliance Fédérale (CIC regional banks, BECM, etc.).

5.13.2 Managing interest rate risk (EU IRRBBA)

5.13.2.1 Interest rate risk governance and management

The system in place within Crédit Mutuel Alliance Fédérale concerning interest rate risk is in line with the recommendations of the Order of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sectors, those of the European Banking Authority relating to the Supervisory Review and Evaluation Process (SREP) of December 2014 (2014/13), the recommendations of the Basel Committee on interest rate risk in the banking book (BCBS368 - April 2016) as well as the EBA guidelines (EBA/GL/2022/14) specifying the criteria for detecting, assessing, managing and mitigating risks resulting from possible changes in interest rates (IRRBB - Interest Rate Risks for the Banking Book) and the assessment and monitoring of the credit spread risk of activities outside the trading book of institutions (CSRBB - Credit Spread Risks for the Banking Book). The latest changes to the system relate to the implementation of the EBA guidelines applicable from June 30, 2023 for IRRBB monitoring and from December 31, 2023 for the CSRBB and technical standards Regulatory Technical Standards (RTS) on the Supervisory Outlier Test (SOT) and on the standardized approach and the simplified standardized approach for IRRBB.

Interest rate risk is governed and monitored by the asset-liability management (ALM) function of Crédit Mutuel Alliance Fédérale.

The role and principles governing asset-liability management are defined as follows:

- asset-liability management is a distinct function from that of the trading floor and has its own resources;
- the primary objective of asset-liability management is to shield commercial margins from the effects of interest and exchange rate fluctuations and to ensure that the bank has sufficient liquidity to meet its obligations and protect it from a liquidity crisis;
- asset-liability management does not operate as a profit center but as a function that serves the bank's profitability and development strategy, as well as the management of liquidity risk and interest rate risk arising from network activity.

The interest rate risk is managed by the ALM Technical Committee, which meets on a quarterly basis. The committee manages this risk in accordance with the risk limits applied within Crédit Mutuel Alliance Fédérale.

The ALM Monitoring Committee, which meets semi-annually, examines changes in asset-liability management risks and validates the risk limits and alert thresholds.

5.13.2.2 Measurement and monitoring systems and hedging mechanism

The interest rate risk arising from the group's commercial activities stems from interest rate differentials and differences in benchmark lending and borrowing rates.

The analysis of this risk also takes into account the volatility of outstandings on products with no contractual maturity date and embedded options (early repayment and roll-over options for loans and confirmed credit line draw-downs, etc.).

The interest rate risk situation for all transactions resulting from the network's activities is analyzed and hedged globally for the residual balance sheet position by so-called macro-hedging transactions.

Transactions of a large amount or specific structure may be hedged in specific ways. The ALM Technical Committee, which is in charge of deciding, decides which hedges to put in place and allocates them *pro rata* to the needs of each entity.

These hedges are designed to keep risk indicators (NII and NPV sensitivity and gaps) within the limits and/or alert thresholds set at the overall level of Crédit Mutuel Alliance Fédérale and the group's banks.

Risk limits and alert thresholds are set in relation to the global level of Crédit Mutuel Alliance Fédérale.

Certain entities have a set of limits and alert thresholds within the scope of their Risk Appetite Framework (RAF). For the other entities, the alert thresholds are of the same level as the global limits of Crédit Mutuel Alliance Fédérale.

The interest rate risk analysis is based on the following indicators, which are updated quarterly:

1. the static fixed-rate gap, which corresponds to the on- and off-balance sheet items whose flows are considered certain over a period of one month to 20 years, as governed by limits or alert thresholds of three to seven years and measured by a net revenue ratio;
2. the static "passbook and inflation rate" gap over a period of one month to 20 years, governed by limits or alert thresholds of three to seven years, measured as a ratio of T1 + T2 capital;
3. the sensitivity of the net interest margin calculated for domestic scenarios and governed by limits or alert thresholds. It is measured in annual steps over a two-year period and is expressed as a percentage of the prudential NIM of each entity.

Several interest rate scenarios are analyzed. For the internal view, the central scenario used for the calculation of ALM indicators is based on the interest rate forecasts used by the management control unit for earnings forecasts.

These forecasts are made quarterly under the aegis of CNCM. For the regulatory view, the central scenario corresponds to the forward rates derived from the discount curve to date.

The other interest rate scenarios are the following:

Internal view

- Increase in the yield curve of 100 bp at constant balance sheet and dynamic balance sheet (used for limits/alert thresholds);
- Decrease in the yield curve of 100 bp, with no floor rate, at constant balance sheet and dynamic balance sheet (used for limits/alert thresholds);
- Stagflation scenario with a strong inflation shock in the short term maintained at a high level and a gradual increase in long-term interest rates.

Regulatory view

- A 100-bp increase in the yield curve (used for limits/alert thresholds);
- A 100-bp decrease in the yield curve, with no floor rate (used for limits/alert thresholds);
- Flattening/inversion of the yield curve due to a 50-bp increase in short-term rates every six months over two years (cumulative shock of 200 bp);
- A 200-bp increase in the yield curve;
- A 200-bp decrease in the yield curve, with a tiered floor rate ranging between a spot rate of -1.5% to a 50-year rate of 0%;
- Scenario of a rise in inflation of 100 bp.

The liquidity gap funding scenarios are studied with a 100% EURIBOR 3-month backing.

At December 31, 2023, the net interest margin of the banking book of Crédit Mutuel Alliance Fédérale and BFCM on a consolidated basis are exposed at one-year and two-years, according to the reference scenario, to a 100 bp drop in rates with no floor rate.

For these two scopes of consolidation, dynamic balance sheet sensitivities were as follows:

- for Crédit Mutuel Alliance Fédérale, the sensitivity to a drop in interest rates is -2.83% over one year (-€241 million in absolute value) and -5.02% over two years (-€427 million), in compliance with risk limits;
- for BFCM on a consolidated base, sensitivity is -€230.5 million over one year and -€267.9 million over two years, or -3.41% and -3.96% respectively as a percentage of NII.

TABLE 65: NET REVENUE SENSITIVITY INDICATORS

INTERNAL VIEW*

	12/31/2023 Sensitivity in % NII		12/31/2022 Sensitivity in % NII	
	1 year	2 years	1 year	2 years
100 bp increase in the yield curve - dynamic balance sheet	2.70%	4.29%	3.65%	5.65%
100 bp decrease in the yield curve - dynamic balance sheet	-2.83%	-5.02%	-3.62%	-5.63%
Stagflation scenario	-18.90%	-3.21%	-1.62%	-31.79%
100 bp increase in the yield curve - constant balance sheet	3.24%	5.31%	4.07%	6.08%
100 bp decrease in the yield curve - constant balance sheet	-3.39%	-6.11%	-4.11%	-6.15%

* *The central scenario used for the indicators at December 31, 2023 and December 31, 2022 for the internal view is that of the group's economists used for earnings forecasts.*

REGULATORY VIEW*

	12/31/2023 Sensitivity in % NII	
	1 year	2 years
100 bp increase in the yield curve	7.88%	11.50%
100 bp decrease in the yield curve, with no floor	-8.13%	-12.67%
Flattening/inversion of the yield curve	3.48%	7.12%
200 bp increase in the yield curve	15.99%	23.23%
200 bp decrease in the yield curve	-11.65%	-20.01%
100 bp increase in inflation scenario	-1.91%	-4.37%

** As of December 31, 2023, the calculation method has changed (application of the regulatory view with a central scenario corresponding to the forward rates derived from the discount curve to date) and does not allow a comparison with the indicators at December 31, 2022 (application of the internal view).*

4. The basis risk, associated with assets and liabilities correlated to different indices, corresponds to the risk of a change in the relationship between the different market rates (financial assets at variable rate financed by resources at variable rate but not linked to the same index). The basis risk is covered by a limit on the average one-year outstandings at the EURIBOR three-month rate financed by Eonia €STR resources.

5.13.2.3 Regulatory indicators

The Net Present Value (NPV) sensitivity is calculated in accordance with the recommendations of the EBA:

- exclusion of shareholders' equity and non-current assets;
- discounting of flows using a swap rate curve (with no liquidity spread and no credit spread);
- application of an incremental floor ranging between a spot rate of -1.5% to a 50-year rate of 0% for market rates;
- since the average duration of non-maturity deposits is less than five years, the five-year cap required by regulations is not applicable;
- 50% cross-currency risk offset.

NPV sensitivities are determined using six EBA interest rate scenarios:

- parallel upward shift;
- parallel downward shift;
- steepening of the yield curve;
- flattening of the yield curve;
- rise in short-term rates;
- fall in short-term rates.

And an Inflation scenario of +100 bp.

Overall, Crédit Mutuel Alliance Fédérale's NPV sensitivity is below the alert limit of -13% of Tier 1 capital, to:

- a 200-bp decrease in interest rates, of +1.25% (+€678 million).
- a 200-bp rise in interest rates, of -7.77% (-€4,201 million).

5

TABLE 66: NPV SENSITIVITY TO TOTAL CAPITAL

	12/31/2023	12/31/2022
NPV sensitivity	In % of Tier 1 capital	In % of Tier 1 capital
Decrease of 200 bp	1.12%	3.71%
Increase of 200 bp	-6.91%	-7.60%

TABLE 67: SENSITIVITY OF NPV TO TIER 1 CAPITAL

	12/31/2023
NPV sensitivity	In % of Tier 1 capital
Decrease of 200 bp	1.25%
Increase of 200 bp	-7.77%
Reduction in short-term rates	3.44%
Increase in short-term rates	-6.89%
Sloping	1.73%
Flattening	-5.58%
Inflation +100 bp*	-4.44%

** Indicator not calculated in 2022.*

TABLE 68: INTEREST RATE RISK IN THE BANKING BOOK (EU IRRBB1)

(in € millions)	EVE		NII*	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Downward parallel shift (-200 bp)	678	2,085	-992	-108
Upward parallel shift (+200 bp)	-4,201	-4,275	1,362	438
Reduction in short-term rates	1,860	929	-	-
Increase in short-term rates	-3,723	-1,825	-	-
Steepening of the yield curve	938	-235	-	-
Flattening of the yield curve	-3,019	-562	-	-
Inflation of 100 bp	-2,400	-	-	-

** The NII sensitivities at December 31, 2023 are expressed as a regulatory view and as at December 31, 2022 as an internal view.*

	12/31/2023	12/31/2022
COMMON EQUITY TIER 1 CAPITAL	**54,072**	**48,883**
TOTAL CAPITAL (TIER 1 + TIER 2)	**60,819**	**56,216**

5.13.2.4 Statement

Crédit Mutuel Alliance Fédérale certifies that its interest rate risk management arrangements are appropriate to the risk profile of the commercial activities and the risk appetite defined by the governance bodies.

The interest risk management, measurement, oversight, control and monitoring arrangements have been approved by the management body.

These are consistent with the group's risk profile and were approved by Executive Management and the governing bodies. It is tailored to the risk profile, nature and size of the group's activities.

The interest rate risk and the liquidity risk are reviewed every six months by the Boards of Directors of Caisse Fédérale de Crédit Mutuel and the other entities of Crédit Mutuel Alliance Fédérale (regional banks, BECM, etc.)

5.13.3 Liquidity risk management (EU LIQA)

5.13.3.1 Liquidity risk management and strategy

Protecting customers, preserving its mutualist culture and organization and financing and supporting economic activity in the regions are central to Crédit Mutuel Alliance Fédérale's strategy.

To manage liquidity risk, the group refers to the Internal Liquidity Adequacy Assessment Processes (ILAAP) as defined in the general recommendations of the Basel Committee (09-2008), as well as the recommendations of the European Banking Authority relative on the Supervisory Review and Evaluation Process (SREP) dated December 2014 (2014/13), the Order of November 3, 2014 relative to internal controls of companies in the banking, payment and investment services sector, the EBA guidelines (2016/10) and the ECB guidelines of November 2018 relative to ILAAP.

The group has adopted a two-fold risk appetite policy comprising a risk tolerance policy for general risks and a specific risk aversion policy for risk related to liquidity and refinancing. This is in line with a sound and prudent management approach as required by law No. 2013-672 of July 26, 2013 on the separation and regulation of banking activities, Title 1, Article 2, which gives priority to long-term sustainability, with a sole medium-/long-term debt issuer, Banque Fédérative du Crédit Mutuel ("BFCM"). Its aim is to shield the operating accounts of the cooperative banks and branches from liquidity and interest rate risks, disseminate the market prices necessary for appropriate customer pricing and guarantee commercial network margins.

Crédit Mutuel Alliance Fédérale's liquidity risk monitoring mechanism is based on the following procedures:

- liquidity risk governance that ensures its centralized monitoring and decision making in technical monitoring and control committee;
- determining liquidity gaps that are subject to limits and alert thresholds to secure and optimize the refinancing policy;
- monitoring the Liquidity Coverage Ratio (LCR), which is representative of the group's short-term liquidity position;
- management and monitoring of Net Stable Funding Ratio (NSFR), representative of the group's medium-term liquidity position;
- steering and monitoring the commitment coefficient (loan-to-deposit ratio);
- determining and monitoring liquidity needs under normal circumstances and under stress.

5.13.3.2 Governance and structure of the liquidity management function – Centralization of liquidity management and interactions between the group's units

5.13.3.2.1 Governance and structure of the liquidity management function

Liquidity is governed by technical and monitoring committees and is supervised by the control committees.

At the operational level, liquidity management is shared between the group treasury, whose central treasury and liquidity function ensures the interface between the entities of the centralized scope, and the asset-liability management (Group ALM), which measures the needs of the centralized units and implements hedges for commercial activities. Group ALM and group treasury report to the Executive Management of Crédit Mutuel Alliance Fédérale and act in accordance with the decisions of the ad hoc committees (ALM Technical Committee, Group Treasury Risk Committee, Group Central Treasury and Liquidity Committee, Emergency Plan Management Committee).

Neither the ALM nor the group treasury are profit centers or managed as such. The group's financing needs identified by ALM, through the ALM Technical Committee, are communicated to the group treasury, which is responsible for borrowing the necessary funds on the markets.

From a control standpoint, the group risk department performs the risk management function for every type of risk for all group entities. It reports to the Chief Executive Officer and submits reports to the decision-making and executive management bodies.

Group treasury

The group's treasury management approach meets two closely related objectives to secure and refinance the group's needs on the best possible terms and to monitor the group's reputation on the market.

On the markets, the dedicated group treasury team manages and coordinates the issue programs, supervises listings and carries out interest-rate and foreign-exchange risk hedging transactions.

Because of its direct relationship with investors, it has a thorough understanding of all the components of access to the markets, a continuous presence through its listings, centralized portfolio management and the immediate ability to issue liquidity and refinancing instruments to diversify its vehicles, currencies and source countries.

BFCM is the sole issuer of medium-/long-term debt on the Capital Markets; secured debt is issued through Crédit Mutuel – CIC Home Loan SFH. BFCM ensures that Crédit Mutuel Alliance Fédérale is able to meet its refinancing needs, manage its development challenges and safeguard its solvency.

Asset-liability management (ALM)

The purpose of the ALM function is to protect the sales margins of local entities and specialized business lines from risk. The mechanism in place ensures risk management through annual revisions of the alert thresholds/limits in compliance with prudential constraints.

Liquidity risk for Commercial Banking is stringently managed through the systematic hedging of the transformation resources generated on maturities ranging from three months to seven years, for assets and liabilities whose estimated future cash flows are close to the LCR and NSFR weightings, with restrictive alert thresholds for liquidity gaps in a "Basel III stress scenario."

The risk department (RD)

The RD implements liquidity risk control and supervision. It reports regularly to the governing bodies (quarterly reports) and coordinates and participates in the various control committees (Group Risk Monitoring Committee, Group Risk Committee, Auditing and Accounting Committee and Control and Compliance Committee), as well as in the monitoring committees, technical committees concerned with liquidity risk and meetings of the Boards of Directors. It coordinates the network of risk officers from the group's various business lines and entities. The risk department is the first point of contact for the ECB and the national central banks. It also coordinates the monitoring of the implementation of supervisory authority inspection recommendations.

5.13.3.2.2 Centralization of liquidity management and interaction between the group's units

Crédit Mutuel Alliance Fédérale centralizes liquidity management and monitoring at both the asset-liability management (ALM) and group treasury levels, with a common set of uniform rules for the business lines regarding risk measures and allocations across all group entities without exception.

This centralization allows the group to optimize the management of treasury exposures and the decisions taken by the technical, monitoring and control committees.

ALM does not allow entities to lend to each other but administers available liquidity by maturity to entities in need, thereby pooling the positions and optimizing recourse to group treasury and the market.

The scope administered by asset-liability management (ALM) covers 100% of customer loans, 100% of customer deposits for the consolidated group and 100% of group treasury market liabilities.

This scope is relevant for certifying liquidity and interest rate risk measures and hedges for Crédit Mutuel Alliance Fédérale, excluding insurance companies and asset management.

The Insurance and Asset Management entities, which benefit from autonomy for measuring and managing their liquidity, have a robust liquidity risk monitoring system. They regularly report to the group on the results of their liquidity stress tests adapted to their activity.

5.13.3.3 Measurement and monitoring systems

The systems for measuring and monitoring risks are comprehensive and cover the entire scope of the group. Non-financial entities are excluded.

ALM indicators are compiled at the consolidated level and by entity. These indicators include:

- the static liquidity gap based on contractual and agreed maturities and incorporating off-balance sheet commitments.

  Transformation ratios (sources/applications of funds) are calculated on maturities ranging from three months to five years and are subject to limits;
- the dynamic liquidity gap over five years, incorporating new loans granted, thus facilitating the measurement of future financing needs related to the development of commercial activity;
- the liquidity gap in a Basel III stress scenario, whose estimated future cash flows are based on the Net Stable Funding Ratio (NSFR) weightings. Transformation ratios (sources/applications of funds) are calculated at maturities ranging from three months to seven years and are subject to limits and alert thresholds in order to secure and optimize the refinancing policy.

The ALM Technical Committee decides on the liquidity hedges to be put in place in light of all these indicators. These hedges are allocated *pro rata* to the cumulative needs.

The limit system is comprehensive and, where applicable, is broken down and applied to each entity or business line in a granular way (LCR, Basel III liquidity gaps).

These rules limit liquidity exposures across the cash curve to prevent excessive transformation.

5.13.3.4 Treasury management and concentration of resources

The prudent rules and the effective system to access market resources are described in Chapter 2 of the URD, in the paragraph on “Liquidity and refinancing.”

5.13.3.5 Regulatory indicators and liquidity reserve

Since March 2014, credit institutions in the Eurozone have been required to report their liquidity levels to their supervisory body as defined by the EBA (European Banking Authority), which takes into account:

- the short-term liquidity ratio, or LCR (Liquidity Coverage Ratio), on a monthly basis; and
- and the long-term structural liquidity ratio, or NSFR (Net Stable Funding Ratio), on a quarterly basis.

The LCR is designed to ensure the resilience of banks’ liquidity risk profile in the short term by requiring them to maintain sufficient unencumbered high-quality liquid assets (HQLAs) that can be easily and immediately converted to cash on private markets in the event of a liquidity crisis lasting up to 30 calendar days.

The LCR liquidity reserve is funded through short-term debt (maturing in up to one year).

The purpose of the NSFR ratio is to limit the transformation of a banking institution by ensuring that assets at more than one year are covered by stable refinancing. It entered into force on June 30, 2021.

TABLE 69: SHORT-TERM LIQUIDITY COVERAGE RATIO – LCR (EU LIQ1)

12/31/2023 *(in € millions)*		Total unweighted value 03/31/2023	06/30/2023	09/30/2032	12/31/2023	Total weighted value 03/31/2023	06/30/2023	09/30/2023	12/31/2023
HIGH-QUALITY ASSETS									
1	**Total high-quality liquid assets (HQLA)**	**-**	**-**	**-**	**-**	**128,073**	**125,796**	**125,100**	**125,578**
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	283,620	285,277	287,589	289,979	20,105	19,898	19,569	19,218
3	*Stable deposits*	191,337	192,228	192,592	191,951	9,567	9,611	9,630	9,598
4	*Less stable deposits*	85,606	83,285	80,218	77,295	10,451	10,154	9,752	9,361
5	Unsecured Wholesale financing	131,268	126,149	119,946	115,690	74,418	72,250	69,253	67,298
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	22,163	21,293	20,486	19,931	5,331	5,111	4,896	4,744
7	*Non-operational deposits (all counterparties)*	99,811	95,763	90,329	86,864	59,793	58,045	55,226	53,659
8	*Unsecured debt*	9,294	9,093	9,130	8,895	9,294	9,093	9,130	8,895
9	Secured wholesale funding	-	-	-	-	2,511	2,429	2,262	2,142
10	Additional requirements	91,509	91,664	90,779	89,984	10,261	10,573	10,665	10,721
11	*Outflows related to derivative exposures and other collateral requirements*	1,988	2,158	2,178	2,168	1,988	2,158	2,178	2,168
12	*Outflows related to loss of funding on debt products*	0	0	0	0	0	0	0	0
13	*Credit and liquidity facilities*	89,521	89,507	88,601	87,816	8,273	8,416	8,487	8,552
14	Other contractual funding obligations	157	188	221	285	81	106	137	199
15	Other contingent funding obligations	5,875	5,981	6,076	6,143	443	438	427	423
16	**TOTAL CASH OUTFLOWS**	**-**	**-**	**-**	**-**	**107,817**	**105,694**	**102,313**	**99,999**
CASH INFLOWS									
17	Secured lending (such as reverse repurchase agreements)	10,455	10,107	9,643	8,995	4,734	4,726	4,805	4,774
18	Inflows from fully performing exposures	25,772	26,448	26,526	26,623	15,147	15,677	15,771	15,811
19	Other cash inflows	2,252	2,368	2,466	2,477	1,970	2,078	2,172	2,178
EU-19a	(Difference between total weighted cash inflows and total weighted cash outflows resulting from transactions in third countries where transfer restrictions apply or transactions are denominated in a non-convertible currency)	-	-	-	-	0	0	0	0
EU-19b	(Excess cash inflows from a related specialized credit institution)	-	-	-	-	0	0	0	0
20	**TOTAL CASH INFLOWS**	**38,479**	**38,923**	**38,635**	**38,094**	**21,852**	**22,482**	**22,748**	**22,763**
EU-20a	*Fully exempt cash inflows*	-	-	-	-	*0*	*0*	*0*	*0*
EU-20b	*Cash inflows subject to 90% cap*	-	-	-	-	*0*	*0*	*0*	*0*
EU-20c	*Cash inflows subject to 75% cap*	*38,479*	*38,923*	*38,635*	*38,094*	*21,852*	*22,482*	*22,748*	*22,763*
21	**LIQUIDITY BUFFERS**	**-**	**-**	**-**	**-**	**128,073**	**125,796**	**125,100**	**125,578**
22	**TOTAL NET CASH OUTFLOWS**	**-**	**-**	**-**	**-**	**85,966**	**83,212**	**79,565**	**77,236**
23	**LIQUIDITY COVERAGE RATIO *(in %)*[1]**	**-**	**-**	**-**	**-**	**149%**	**152%**	**158%**	**163%**

(1) *For each reference date, the ratio displayed corresponds to the average of the ratios for the 12 months preceding the date in question and not to the ratio of the average components of the previous 12 months.*

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12/31/2022		Total unweighted value				Total weighted value			
(in € millions)		03/31/2022	06/30/2022	09/30/2022	12/31/2022	03/31/2022	06/30/2022	09/30/2022	12/31/2022
HIGH-QUALITY ASSETS									
1	**Total high-quality liquid assets (HQLA)**	**-**	**-**	**-**	**-**	**144,303**	**144,690**	**139,293**	**132,770**
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	272,528	273,431	276,205	283,581	19,053	19,401	19,766	20,258
3	Stable deposits	*186,996*	*184,846*	*185,027*	*190,742*	*9,350*	*9,242*	*9,251*	*9,537*
4	Less stable deposits	*79,925*	*83,532*	*86,253*	*87,639*	*9,680*	*10,137*	*10,491*	*10,677*
5	Unsecured Wholesale financing	130,255	131,270	133,788	134,103	70,037	70,792	73,523	75,022
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	*22,306*	*22,655*	*22,462*	*22,482*	*5,419*	*5,491*	*5,428*	*5,415*
7	Non-operational deposits (all counterparties)	*99,452*	*100,610*	*102,727*	*102,464*	*56,121*	*57,295*	*59,496*	*60,451*
8	Unsecured debt	*8,497*	*8,006*	*8,599*	*9,156*	*8,497*	*8,006*	*8,599*	*9,156*
9	Secured wholesale funding	0	0	0	0	1,867	1,948	2,097	2,275
10	Additional requirements	*82,488*	*85,146*	*88,246*	*90,436*	*8,682*	*8,937*	*9,416*	*9,858*
11	Outflows related to derivative exposures and other collateral requirements	*1,090*	*1,186*	*1,446*	*1,727*	*1,090*	*1,186*	*1,446*	*1,727*
12	Outflows related to loss of funding on debt products	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
13	Credit and liquidity facilities	*81,398*	*83,960*	*86,800*	*88,709*	*7,592*	*7,751*	*7,969*	*8,132*
14	Other contractual funding obligations	83	105	118	146	66	70	64	73
15	Other contingent funding obligations	5,655	5,681	5,712	5,783	385	410	430	440
16	**TOTAL CASH OUTFLOWS**	**-**	**-**	**-**	**-**	**100,090**	**101,558**	**105,297**	**107,926**
CASH INFLOWS									
17	Secured lending (such as reverse repurchase agreements)	10,643	10,476	10,138	10,333	4,347	4,445	4,364	4,503
18	Inflows from fully performing exposures	23,495	23,976	24,707	25,154	13,617	13,891	14,368	14,719
19	Other cash inflows	2,595	2,096	1,884	2,032	2,589	2,027	1,742	1,819
EU-19a	(Difference between total weighted cash inflows and total weighted cash outflows resulting from transactions in third countries where transfer restrictions apply or transactions are denominated in a non-convertible currency)				0	0	0	0	0
EU-19b	(Excess cash inflows from a related specialized credit institution)				0	0	0	0	0
20	**TOTAL CASH INFLOWS**	**36,733**	**36,548**	**36,729**	**37,519**	**20,553**	**20,363**	**20,473**	**21,041**
EU-20a	Fully exempt cash inflows	-	-	-	-	-	-	-	-
EU-20b	Cash inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Cash inflows subject to 75% cap	36,733	36,548	36,729	37,519	20,553	20,363	20,473	21,041
21	**LIQUIDITY BUFFERS**	-	-	-	-	**144,303**	**144,690**	**139,293**	**132,770**
22	**TOTAL NET CASH OUTFLOWS**	-	-	-	-	**79,537**	**81,194**	**84,824**	**86,885**
23	**LIQUIDITY COVERAGE RATIO *(in %)*[1]**	-	-	-	-	**182%**	**179%**	**165%**	**153%**

(1) For each reference date, the average ratio is equal to the ratio of the average liquidity buffers the average net cash outflows over the 12 months preceding the considered date.

Crédit Mutuel Alliance Fédérale's LCR stood at 162.8% on a monthly average year-on-year, representing a liquidity surplus of €48.3 billion compared to the regulatory requirement. The ratio is managed above 115%.

Average liquid assets are composed of 79.9% central bank deposits and 15.6% highly liquid Tier 1 securities.

Stressed 30-day average cash outflows consist of 40.7% corporate and retail deposits. Financing from banks and financial customers represented 46%.

Stressed 30-day average cash inflows consist of 48.2% corporate and retail loan repayments. Repayments of advances and loans granted to banks and financial customers represented 24.2%. Repayments of repos represented 21%.

TABLE 70: DETAILS OF LIQUIDITY BUFFER – LCR

Amount after ECB weighting *(in € millions)*	**12/31/2023**	**12/31/2022**
Tier 1	**114,037**	**126,611**
Cash deposited in central banks	91,396	103,691
HQLAs	21,563	21,571
Cash deposits	1,078	1,349
Tier 2a	**2,949**	**1,504**
Tier 2b	**2,515**	**1,880**
TOTAL BUFFER	**119,501**	**129,995**

Crédit Mutuel Alliance Fédérale consolidated statement of financial position by residual maturity of future contractual cash flows breaks down as follows:

TABLE 71: BREAKDOWN OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE'S CONSOLIDATED BALANCE SHEET BY RESIDUAL MATURITY OF FUTURE CONTRACTUAL CASH FLOWS (PRINCIPAL AND INTEREST)

12/31/2023 *(in € millions)*	**≤ 1 month[1]**	**> 1 month ≤ 3 months**	**> 3 months ≤ 1 year**	**> 1 year ≤ 2 years**	**> 2 years ≤ 5 years**	**> 5 years**	**No fixed maturity[2]**	**Total**
ASSETS								
Cash – Central banks	97,505	-	-	-	-	-	-	97,505
Demand deposits, credit institutions	4,505	-	-	-	-	-	-	4,505
Financial assets held for trading	6,658	3,292	3,846	1,941	6,419	2,995	1,262	26,413
Financial assets at fair value through profit or loss	53	3	32	48	220	281	168	805
Financial assets at fair value through shareholders' equity	1,102	1,653	3,029	4,472	13,941	12,286	0	36,484
Securities at amortized cost	1,273	34	318	971	1,203	960	67	4,827
Loans and receivables due from credit institutions	13,018	2,521	1,941	726	2,027	42,302	9	62,544
Customer loans and receivables	52,108	18,183	45,574	52,703	123,541	231,948	5	524,063
LIABILITIES								
Central bank deposits	31	0	0	0	0	0	0	31
Financial liabilities held for trading	5,993	3,864	2,412	712	3,358	1,492	4	17,834
Financial liabilities at fair value through profit or loss	38	0	108	0	0	0	0	146
Derivatives used for hedging purposes (liabilities)	31	13	31	62	1,807	59	0	2,003
Financial liabilities carried at amortized cost	**400,578**	**42,685**	**106,094**	**29,413**	**74,061**	**43,191**	**621**	**696,642**
Deposits, central bank	*0*	*0*	*12,037*	*0*	*0*	*0*	*0*	*12,037*
Deposits, public administration	*2,197*	*850*	*1,737*	*144*	*468*	*26*	*0*	*5,423*
Deposits, credit institutions	*18,379*	*6,278*	*4,256*	*282*	*840*	*1,106*	*0*	*31,141*
Deposits, other financial corporations	*31,892*	*1,866*	*5,806*	*785*	*1,627*	*424*	*0*	*42,401*
Deposits, non-financial corporations	*131,848*	*11,504*	*22,650*	*5,583*	*10,873*	*1,620*	*3*	*184,083*
Deposits, individuals	*204,423*	*7,669*	*17,739*	*5,779*	*14,491*	*2,377*	*2*	*252,479*
of which Debt securities, including bonds	10,829	14,166	40,216	15,719	42,209	33,139	0	156,279
of which Subordinated liabilities	0	5	1,060	1,065	3,449	4,411	603	10,593

Excludes Insurance.

(1) Including receivables and related debt, securities given and received with repurchase agreements.

(2) Including perpetual debt securities, equities, non-performing loans, loans in litigation and impairment losses. For marked-to-market financial instruments the differences between fair value and redemption value.

When it is impossible to provide an accurate maturity, the carrying amount is stated in the "no fixed maturity" column.

12/31/2022 *(in € millions)*	≤ 1 month[1]	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity[2]	Total
ASSETS								
Cash – Central banks	111,933	-	-	-	-	-	-	111,933
Demand deposits, credit institutions	4,502	-	-	-	-	-	-	4,502
Financial assets held for trading	2,024	3,581	5,463	2,366	5,861	3,152	629	23,076
Financial assets at fair value through profit or loss	38	6	29	27	107	353	173	734
Financial assets at fair value through shareholders' equity	1,258	1,278	2,764	3,926	11,892	12,696	0	33,816
Securities at amortized cost	1,444	56	274	303	1,163	797	67	4,104
Loans and receivables due from credit institutions	9,489	1,372	1,925	1,842	726	37,353	0	52,707
Customer loans and receivables	49,655	17,404	42,128	49,663	120,933	221,739	309	501,830
LIABILITIES								
Central bank deposits	44	0	0	0	0	0	0	44
Financial liabilities held for trading	1,197	4,511	4,758	1,656	4,156	2,338	11	18,627
Financial liabilities at fair value through profit or loss	0	0	156	0	0	0	0	156
Derivatives used for hedging purposes (liabilities)	16	12	25	4	2,368	78	0	2,502
Financial liabilities carried at amortized cost	**422,672**	**35,353**	**75,049**	**41,401**	**57,119**	**39,848**	**114**	**671,554**
Deposits, central bank	*0*	*3,150*	*11,200*	*17,825*	*0*	*0*	*0*	*32,175*
Deposits, public administration	*2,273*	*1,046*	*1,354*	*178*	*244*	*1*	*0*	*5,095*
Deposits, credit institutions	*18,350*	*5,375*	*3,775*	*622*	*603*	*1,019*	*0*	*29,744*
Deposits, other financial corporations	*34,482*	*1,666*	*2,226*	*822*	*950*	*200*	*0*	*40,346*
Deposits, non-financial corporations	*148,880*	*6,161*	*9,879*	*5,862*	*6,086*	*631*	*0*	*177,500*
Deposits, individuals	*205,153*	*5,983*	*7,606*	*5,097*	*8,476*	*2,100*	*0*	*234,416*
of which Debt securities, including bonds	*12,344*	*11,407*	*38,470*	*9,889*	*37,030*	*31,716*	*0*	*140,856*
of which Subordinated liabilities	*0*	*3*	*0*	*1,060*	*3,679*	*4,107*	*103*	*8,951*

Excludes Insurance.

(1) Including receivables and related debt, securities given and received with repurchase agreements.

(2) Including perpetual debt securities, equities, non-performing loans, loans in litigation and impairment losses. For marked-to-market financial instruments the differences between fair value and redemption value.

When it is impossible to provide an accurate maturity, the carrying amount is stated in the "no fixed maturity" column.

Comments:

The tables above present the carrying amounts in IFRS based on the prudential scope. The maturity rules used concern:

- the contractual principal repayment terms;
- equities with an unspecified duration, as for perpetual loans and securities;
- payables and related receivables broken down according to their actual contractual duration and entered in the "< 1 month" column by default;
- provisions broken down in line with the assets concerned;
- non-performing loans broken down according to their contractual date, when it has not expired and are entered under the "no fixed maturity" column when it has expired, similar to loans in litigation;
- derivatives: their market value is entered under the corresponding flow on the contract expiry date.

When it is impossible to provide an accurate maturity, the carrying amount is stated in the "no fixed maturity" column.

TABLE 72: NET STABLE FUNDING RATIO – NSFR (EU LIQ2)

12/31/2023 *(in € millions)*		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
STABLE FUNDING AVAILABLE						
1	Capital items and instruments	58,646	0	0	6,465	65,111
2	*Shareholders' equity*	*58,646*	*0*	*0*	*6,465*	*65,111*
3	*Other capital instruments*	-	*0*	*0*	*0*	*0*
4	Retail customer deposits	-	286,669	3,381	5,260	276,009
5	*Stable deposits*	-	*191,040*	*3,040*	*5,083*	*189,459*
6	*Less stable deposits*	-	*95,628*	*341*	*177*	*86,550*
7	Wholesale financing	-	*239,262*	*24,932*	*95,687*	*167,453*
8	*Operational deposits*	-	*22,614*	*0*	*0*	*11,307*
9	*Other wholesale financing*	-	*216,648*	*24,932*	*95,687*	*156,145*
10	Interdependent commitments	-	45,035	0	0	0
11	Other commitments:	3,097	16,945	776	3,318	3,706
12	*Derivative commitments affecting the NSFR*	*3,097*			*0*	*0*
13	All other capital commitments and instruments not included in the above categories	-	16,945	776	3,318	3,706
14	**TOTAL AVAILABLE STABLE FUNDING**	**-**	**-**	**-**	**-**	**512,279**
STABLE FUNDING REQUIREMENTS						
15	Total High-Quality Liquid Assets (HQLA)	-	-	-	-	4,517
EU-15a	Assets encumbered with a residual maturity of one year or more in a cover pool	-	1,263	1,278	30,924	28,444
16	Deposits held with other financial institutions for operational purposes	-	0	0	0	0
17	Performing loans and securities:	-	85,666	35,374	419,150	383,081
18	*Financing transactions on performing securities with financial clients secured by high-quality liquid assets of level 1 subject to a haircut of 0%*	-	*6,330*	*2,355*	*310*	*2,113*
19	*Financing transactions on performing securities with financial clients secured by other assets and loans and advances to financial institutions*	-	*16,909*	*1,642*	*13,375*	*16,166*
20	*Performing loans to non-financial corporations, performing loans to retail customers and small businesses, and performing loans to sovereigns and public sector entities of which:*	-	*38,917*	*21,529*	*164,251*	*332,327*
21	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	*2,098*	*3,890*	*9,445*	*99,065*
22	*Performing residential mortgages, of which:*	-	*8,928*	*9,238*	*208,988*	*0*
23	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	*5,467*	*5,635*	*129,817*	*0*
24	*Other loans and securities that are not in default and are not considered high-quality liquid assets, including equities traded on exchanges and on-balance sheet commercial credit products*	-	*14,581*	*610*	*32,226*	*32,475*
25	Interdependent assets	-	45,036	0	0	0
26	Other assets:	7,658	13,972	326	15,549	24,569
27	*Raw materials physically exchanged*	-	-	-	*0*	*0*
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	-			*2,760*	*2,346*
29	*Derivative assets affecting the NSFR*	-			*1,167*	*1,167*
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	-			*3,731*	*187*
31	*All other assets not falling within the above categories*	-	*13,972*	*326*	*15,549*	*20,869*
32	*Off-balance sheet items*	-	*86,564*	*47*	*7*	*4,595*
33	**TOTAL REQUIRED STABLE FUNDING**	**-**	**-**	**-**	**-**	**445,207**
34	**NET STABLE FUNDING RATIO *(AS A %)***	**-**	**-**	**-**	**-**	**115.07%**

.5

12/31/2022 *(in € millions)*		Unweighted value by residual maturity – No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
STABLE FUNDING AVAILABLE						
1	Capital items and instruments	53,802	0	0	6,634	60,436
2	*Shareholders' equity*	*53,802*	*0*	*0*	*6,634*	*60,436*
3	*Other capital instruments*	-	*0*	*0*	*0*	*0*
4	Retail customer deposits	-	282,948	1,278	1,298	266,886
5	*Stable deposits*	-	*195,466*	*230*	*770*	*186,681*
6	*Less stable deposits*	-	*87,482*	*1,048*	*528*	*80,205*
7	Wholesale financing	-	232,757	24,116	104,276	174,392
8	*Operational deposits*	-	*23,677*	*0*	*0*	*11,839*
9	*Other wholesale financing*	-	*209,080*	*24,116*	*104,276*	*162,554*
10	Interdependent commitments	-	38,251	0	0	0
11	Other commitments:	*3,779*	*12,758*	*1,716*	*3,334*	*4,192*
12	*Derivative commitments affecting the NSFR*	*3,779*	-	-	-	*0*
13	All other capital commitments and instruments not included in the above categories	-	12,758	1,716	3,334	4,192
14	**TOTAL AVAILABLE STABLE FUNDING**	**-**	**-**	**-**	**-**	**505,907**
STABLE FUNDING REQUIREMENTS						
15	Total High-Quality Liquid Assets (HQLA)	-	-	-	-	1,803
EU-15a	Assets encumbered with a residual maturity of one year or more in a cover pool	-	1,273	1,288	30,908	28,449
16	Deposits held with other financial institutions for operational purposes	-	0	0	0	0
17	Performing loans and securities:	-	83,442	34,259	397,858	371,567
18	*Financing transactions on performing securities with financial clients secured by high-quality liquid assets of level 1 subject to a haircut of 0%*	-	*5,312*	*2,371*	*1,012*	*2,741*
19	*Financing transactions on performing securities with financial clients secured by other assets and loans and advances to financial institutions*	-	*19,722*	*1,740*	*11,206*	*14,641*
20	*Performing loans to non-financial corporations, performing loans to retail customers and small businesses, and performing loans to sovereigns and public sector entities of which:*	-	*34,204*	*20,862*	*159,730*	*328,129*
21	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	*1,376*	*2,400*	*812*	*90,479*
22	*Performing residential mortgages, of which:*	-	*8,794*	*8,771*	*200,505*	*0*
23	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	*5,393*	*5,313*	*122,010*	*0*
24	*Other loans and securities that are not in default and are not considered high-quality liquid assets, including equities traded on exchanges and on-balance sheet commercial credit products*	-	*15,410*	*515*	*25,405*	*26,056*
25	Interdependent assets	-	38,252	0	0	0
26	Other assets:	7,133	13,981	726	19,881	29,323
27	*Raw materials physically exchanged*	-	-	-	*0*	*0*
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	-			*2,549*	*2,167*
29	*Derivative assets affecting the NSFR*	-			*2,015*	*2,015*
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	-			*2,569*	*128*
31	*All other assets not falling within the above categories*	-	*13,981*	*726*	*19,881*	*25,013*
32	Off-balance sheet items	-	*91,011*	*58*	*5*	*4,757*
33	**TOTAL REQUIRED STABLE FUNDING**	**-**	**-**	**-**	**-**	**435,899**
34	**NET STABLE FUNDING RATIO *(AS A %)***	**-**	**-**	**-**	**-**	**116.06%**

5.13.3.6 Exposures to derivatives and collateral calls

Crédit Mutuel Alliance Fédérale's approach to interest rate and liquidity risk management includes appropriate hedging arrangements.

The group tracks the collateral calls of the various existing contracts to monitor its LCR flows. It also calculates additional cash outflows corresponding to the collateral needs that may result from an adverse market scenario.

5.13.3.7 Concentration of liquidity sources - Currency mismatch in the LCR

Given its commercial activities and the domestic markets on which it operates, Crédit Mutuel Alliance Fédérale is highly concentrated in the euro. The US dollar is the only foreign currency that exceeds the 5% representation threshold for the total consolidated balance sheet.

5.13.3.8 Statement

Crédit Mutuel Alliance Fédérale certifies that its liquidity risk management arrangements are appropriate to the risk profile of its commercial activities and the risk appetite defined by the governance bodies.

The liquidity risk management, measurement, oversight, control and monitoring arrangements have been approved by the management body.

These are consistent with the group's risk profile and were approved by Executive Management and the governing bodies. Arrangements are also tailored to the risk profile, nature and size of the group's activities and take into account economic and market conditions.

Liquidity risk is subject to at least one review per year by the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM and other Crédit Mutuel Alliance Fédérale entities (regional banks, BECM, etc.).

5.13.4 Currency risk management

Credit Mutuel Alliance Federale's exposure to currency risk is low since it conducts most of its activities in euros (81% of total liabilities). The only other significant currency is the American dollar (6.7% of total liabilities).

In order to diversify its sources of financing, Crédit Mutuel Alliance Fédérale raises a significant portion of its short-term and medium-term refinancing on the American and British markets.

In the short term, this currency risk is systematically managed through swaps of the funding raised. In the medium term, part of the refinancing is kept in the original currency in order to cover the currency gaps of the group's entities.

The balance is systematically converted into euros through currency swaps.

The foreign currency positions of each group entity are centralized automatically at BFCM and the holding company CIC.

This centralization is carried out on a daily basis for commercial transfers and for the receipt and disbursement of income and expenses in foreign currencies.

All unrealized foreign currency gains and losses are translated into euros at the end of every month and the resulting foreign currency position is also centralized.

With few exceptions, the group's entities do not bear any currency risk at their own level.

BFCM and CIC are responsible for clearing foreign currency positions on a daily and monthly basis on the market.

The structural foreign currency positions resulting from CIC's foreign currency allowances to foreign branches are not hedged.

Foreign exchange gains or losses are recorded in the asset or liability translation accounts and are not booked in the income statement.

The profits or losses of the foreign branches are retained in the foreign branches and thus add to the structural foreign currency position.

5.14 OPERATIONAL RISK (EU ORA)

In the context of the Basel II capital adequacy framework, Crédit Mutuel Alliance Fédérale group has implemented a comprehensive operational risk management mechanism that is under the responsibility of the management bodies and governed by a single set of risk standards and shared quantitative evaluation methods.

The group has an overall operational risk management function that is clearly identified and split in practice between the national and regional functions. This function covers operational risks, emergency and business continuity plans (EBCPs) and insurance policies taken out to cover these risks.

The system used to measure and monitor operational risk is based on a common platform used throughout the group and uses an approach for identifying and modeling risks so as to calculate the capital levels required to be held for operational risk.

Since January 1, 2010, Crédit Mutuel has been authorized to use its advanced measurement approach to calculate its regulatory capital requirements for operational risk, with the exception of expected losses on capital requirements, for the consolidated scope excluding foreign subsidiaries, Cofidis group and Crédit Mutuel Factoring.

Approval was extended to Crédit Mutuel Factoring, taking effect as of the reporting period ended March 31, 2012, as well as to the Banque de Luxembourg, as of the reporting period ended September 30, 2013, to Cofidis France as of the reporting period ended September 30, 2014 and to TARGOBANK in Germany, as of the reporting period ended June 30, 2018.

5.14.1 Main objectives

The implementation of the operational risk management policy has the following objectives:

- contribute to group management through the control of risks and their costs;
- from a human perspective, to protect staff, develop responsibility, autonomy and control, and capitalize on expertise across the group;
- from an economic standpoint, to protect margins by effectively managing risk across all activities and adapt insurance policies to the risks identified;
- from a regulatory standpoint, to meet the requirements of Basel II and the supervisory authorities, draw on the internal control system (Order of November 3, 2014), optimize emergency and business continuity plans for essential activities and adapt financial reporting (Pillar 3 of Basel III).

5.14.2 Measurement and control procedure

The system used to measure and monitor operational risk is based on a common platform applied across Crédit Mutuel Alliance Fédérale and uses an approach for identifying and modeling risks so as to calculate the level of capital required to cover this risk.

5.14.2.1 Description of the AMA method

Regarding the implementation of the advanced measurement approach (AMA) used to assess capital requirements for operational risks, a dedicated service within the risk department is tasked with managing the operational risk.

The operational risk control and measurement mechanism is underpinned by a risk mapping which is performed by business line, purpose and risk type, in close liaison with the functional departments and day-to-day risk management procedures. In particular, these mappings define a standard framework for analyzing the claims experience and serve for risk modeling based on expert opinions which are compared with scenario-based probabilistic estimates.

For modeling purposes, the group relies mainly on the national internal loss database. This database is populated according to the rules defined in the national data collection procedure. Each loss above the uniform threshold of €1,000 must be recorded. Reconciliations are carried out between the loss database and the accounting information.

Moreover, the Crédit Mutuel group subscribes to an external database, the analysis of which contributes to improving risk mapping and the operational risk measurement system as a whole.

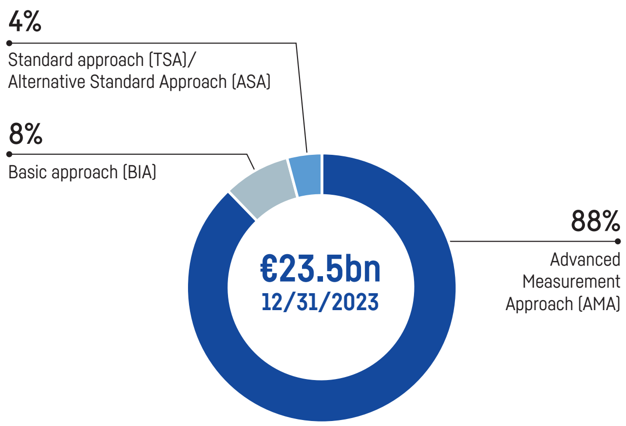
5.14.2.2 Authorized scope for AMA method

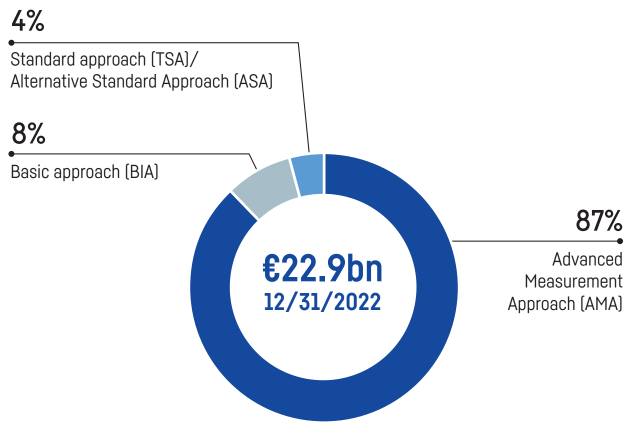
Crédit Mutuel Alliance Fédérale is authorized to use its advanced measurement approach (internal models) to calculate its regulatory capital requirements for operational risk (87.8% of the scope as of December 31, 2023).

This authorization took effect on January 1, 2010 for the group's consolidated scope, excluding foreign subsidiaries and the Cofidis group, then extended to:

- Crédit Mutuel Factoring as of the reporting period ended March 31, 2012;
- Banque de Luxembourg as of the reporting period ended September 30, 2013;
- Cofidis France as of the reporting period ended September 30, 2014;
- TARGOBANK in Germany as of the reporting period ended June 30, 2018.

GRAPH 15: BREAKDOWN OF OPERATIONAL RISK RWA BY APPROACH AS OF DECEMBER 31, 2023 (EU OR2)





5.14.2.3 Operational risk mitigation and hedging policy

The general guidelines for reducing operational risks include:

- effective preventive actions identified during the mapping process and implemented directly by operational staff or permanent control;
- safeguard initiatives primarily focused on the implementation of emergency and business continuity plans for the business lines, logistics and IT so as to limit the extent of the loss in the event of a crisis.

A consistent crisis management process implemented across the group, in line with the market system for interbank operations, covers crisis communication and the three stages of emergency and business continuity plans: namely, the rescue, continuity and recovery plans.

5.14.3 Reporting and general management

The application of the operational risk management policy and the risk profile are monitored by means of key indicators, thresholds and alerts that cover the assessment of potential risks, changes in claims, the effectiveness of reduction measures and financing decided. The relevant effective managers and supervisory bodies are regularly informed on these issues, including the requirements of the Order of November 3, 2014. Every year, operational risk training is given to network managers, internal controllers and the operational staff responsible for monitoring them.

5.14.4 Documentation and procedures

Crédit Mutuel Alliance Fédérale has a set of procedures that are approved by the managing bodies and regularly updated. These cover:

- governance: procedures dealing with the roles and responsibilities of the various managing, decision making and supervisory bodies, the national function, report frequency and recipients, the monitoring scope for group entities and the methodology for subsidiary consolidation;
- collection of claims: procedures setting out rules for the collection and audit of internal losses;
- measurement system: procedures concerning, in particular, probabilistic modeling and modeling based on the work of experts, the rules for gathering Key Risk Indicators (KRIs), the basis for allocating capital adequacy requirements and COREP reports.

These procedures are subject to regular verification procedures.

5.14.5 Business Continuity Management (EBCP) and crisis management

The business continuity system implemented within the group has a dual objective:

- guarantee the continuation of activities following a disaster or an event that seriously disrupts the operation of the group or one of its entities;
- comply with legal and regulatory obligations.

It is intended for all of the group's banking, non-banking and financial activities.

5.14.5.1 EBCPs

EBCPs cover protection actions set up by the group to limit the severity of a disaster as part of its operational risk management program.

Placed in the context of the crisis management that the group has set for itself, and in relation to the regulations in force, an EBCP can be defined as the description of the actions to be taken to ensure the continuity of the business processes considered essential and of the appropriate means that are necessary to be implemented in the event of an incident resulting in the unavailability or serious disruption of human resources, premises, information technology and telecommunications, and FCIs (critical or important functions, outsourced essential service providers and critical functions as defined by the Single Resolution Board).

The methodology for drawing up an EBCP, a registration document for Crédit Mutuel Alliance Fédérale, is accessible to all the teams concerned and is applied operationally at the level of all group entities.

The EBCPs are divided into three phases:

- the emergency response plan: rolled out immediately, it consists of actions intended to deal with emergencies and to implement a degraded treatment solution;
- business continuity plan: corresponds to the resumption of activity in a degraded environment according to the methods adopted before the occurrence of the crisis;
- the recovery plan: is prepared shortly after the start of the business continuity plan with an implementation time that depends on the extent of the damage.

In addition to the EBCPs, crisis management plans have been defined, corresponding to the main crises/threats that may impact the group.

To ensure the effectiveness of the EBCPs, a review, at least once a year, is carried out and validated by the entity's decision-making bodies. In addition, tests and exercises are carried out regularly with the aim of verifying the appropriateness of the EBCPs to the operational reality of the entity, to maintain the mobilization of personnel and to check the readability of the EBCP actions by all users.

5.14.5.2 Organization of crisis management

The crisis management system set up by Crédit Mutuel Alliance Fédérale covers the most effective communication and organization to deal with the three phases: emergency, business continuity and recovery plans.

It is based on:

- a crisis committee, chaired in the regions by the bank's Chief Executive Officer and at the national level by the group's Chief Executive Officer. In times of crisis, this committee makes substantive decisions, prioritizes actions and ensures internal and external communication;
- a crisis unit that gathers information, implements decisions and provides follow-up;
- one crisis point per business line that coordinates field operations in relation with the crisis cell, specifically the activation of EBCPs until normalcy is restored.

5.14.5.3 Management of the system at group level

The entire system is managed centrally by the crisis management-business continuity department of Crédit Mutuel Alliance Fédérale's risk department. The mission of this department is to coordinate, organize and manage the governance of business continuity and crisis management at Crédit Mutuel Alliance Fédérale and to coordinate the crisis management and business continuity correspondents of all business lines/subsidiaries that have an EBCP.

Coordination committees are set up under the aegis of this department with the group's main logistics and IT subsidiaries, as well as with the HR department, in order to contribute to and ensure the effectiveness of Crédit Mutuel Alliance Fédérale's crisis management and business continuity arrangements. Their work should make it possible to anticipate and better control the risk scenarios and the related crisis management plans.

The Group Crisis Committee validates the entire system, which is presented to it at least once a year.

5.14.6 Use of insurance techniques

The ACPR authorized the Crédit Mutuel group to take into account the impact of insurance as a mitigation factor for the calculation of capital requirements in respect of operational risk under the advanced measurement approach (AMA) as of the reporting period ended June 30, 2012.

The principles applied for financing operational risks within the Crédit Mutuel group depend on the frequency and severity of each potential risk. These involve:

- setting up insurance cover or financing by withholding amounts on the operating account for non-severe frequency risks (expected loss);
- insuring major risks *via* external insurers and reinsurers;
- developing self-insurance for losses below insurers' deductible thresholds;
- allocating reserves of regulatory capital or writing provisions financed by underlying assets for serious risks that cannot be insured.

Crédit Mutuel group's insurance programs comply with the provisions of Articles 323 of Regulation (EU) No. 575/2013 of the European Parliament and Council of June 26, 2013 concerning the deduction of insurance under the advanced method approach (AMA).

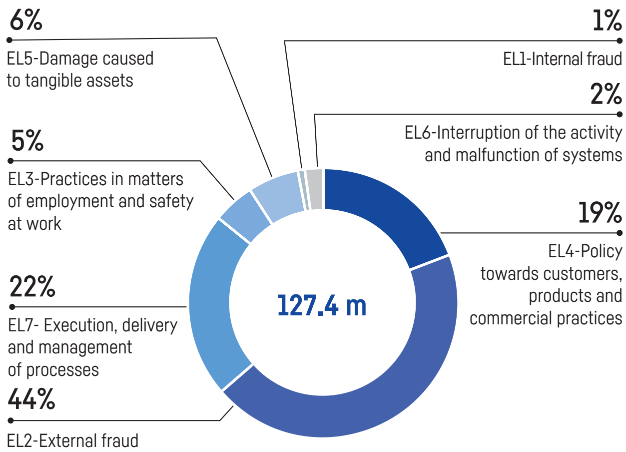
Insurance cover included in the deduction process covers damage to real and personal property (multi-risk) and fraud (overall insurance for banking risks), as well as professional civil liability and cyber-risks (cyber policy).

5.14.7 Inventory of Crédit Mutuel Alliance Fédérale claims

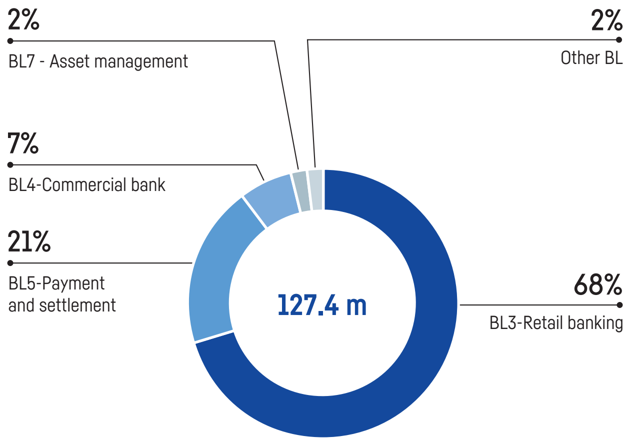
Total claims of Crédit Mutuel Alliance Fédérale amounted to €127.4 million in 2023, including €133.5 million in losses, €430.1 million in provisions and €436.2 million in reversals of provisions. They are broken down as follows:

GRAPH 16: ANNUAL LOSS EXPERIENCE BY BUSINESS LINE AND BY RISK EVENT (EU OR1)

LOSS RATIO IN 2023 BY RE (RISK EVENT)



LOSS RATIO IN 2023 BY BL (BUSINESS LINE)



5.14.8 Specific operational risks

Legal risks

Incorporated into operational risks, these include, but are not limited to, exposure to fines, penalties and damages for fault attributable to the company with respect to its operations.

Industrial and environmental risks

Operational risks are analyzed from the perspective of system malfunctions and the occurrence of natural disasters (100-year floods, floods, earthquakes, pollution, etc.), their impact on the business and the means of prevention and protection to be put in place, notably crisis management and EBCPs.

With regard to the management of social and environmental risks, the approach undertaken is described in the societal section of Chapter 3 Social and Mutualist Responsibility.

Legal and arbitration proceedings

On June 28, 2023, after 13 years of proceedings, the Court of Cassation rejected the appeal lodged by the French Competition Authority in the check image exchange (EIC) case. In September 2010, the French competition authority had imposed fines on French banks, including CIC, for breaches of competition rules concerning the fees and conditions attached to the processing of checks submitted for collection. The decision of the Court of Cassation definitively closes this case in favor of the banks, recognizing the absence of any agreement between them that would have had the effect of distorting, restricting or preventing normal competition.

There are no ongoing administrative, legal or arbitration proceedings that have had over the last 12 months, or are likely to have, a significant impact on the company and/or Group's financial position or profitability in the future.

5.15 INFORMATION ON ENCUMBERED AND UNENCUMBERED ASSETS (EU AE4)

Since December 31, 2014 and pursuant to Article 100 of the CRR, Crédit Mutuel Alliance Fédérale reports to the competent authorities the quantity of unencumbered assets at its disposal and their main characteristics. These assets may serve as collateral to obtain other financing on the secondary markets or from the central bank, and hence constitute additional sources of liquidity.

An asset is considered to be "encumbered" if it serves as a guarantee, or can be contractually used, to secure, collateralize or enhance a transaction from which it cannot be separated. In contrast, an asset is "unencumbered" if it is free from legal, regulatory, contractual or other limitations to its possible liquidation, sale, transmission or disposal.

By way of illustration, the following types of contracts satisfy the definition of encumbered assets:

- secured financial transactions, including repurchase agreements, securities lending and other forms of loans;
- collateralization agreements;
- collateralized financial guarantees;
- collateral placed in clearing systems, clearing houses and other institutions as a condition for accessing the service. This includes initial margins and funds against the risk of insolvency;
- facilities given to central banks. Assets already in position should not be considered encumbered unless the central bank does not authorize the withdrawal of these assets without its prior agreement;
- underlying assets of securitization entities when these assets have not been derecognized by the entity. Underlying assets of retained securities are not recognized as being encumbered unless the securities in question are used to pledge or guarantee a transaction in some way;
- collateral pools put together to issue secured bonds. These assets are recognized as encumbered assets except in certain situations where the entity holds the secured bonds (self-issued bonds).

Assets placed in financing mechanisms that are unused and can be easily withdrawn are not recognized as being encumbered.

As of December 31, 2023, the level and characteristics of encumbered and unencumbered assets for Crédit Mutuel Alliance Fédérale were as follows:

TABLE 73: ENCUMBERED AND UNENCUMBERED ASSETS [1] (EU AE1)

12/31/2023 *(in € millions)*		Carrying amount of encumbered assets	of which HQLA and EHQLA	Fair value of encumbered assets	of which HQLA and EHQLA	Carrying amount of unencumbered assets	of which HQLA and EHQLA	Fair value of unencumbered assets	of which HQLA and EHQLA
010	**Institution assets**	**75,416**	**6,099**			**715,517**	**32,373**	-	-
030	Equity instruments	5	0	5	0	7,617	212	7,623	212
040	Debt securities	11,728	5,980	11,919	5,880	36,486	25,030	34,047	25,097
050	Of which secured bonds	441	441	441	441	4,541	4,589	4,541	4,589
060	Of which asset-backed securities	1,868	380	1,761	284	2,844	75	2,719	74
070	Of which issued by public administrations	3,829	3,533	3,872	3,532	14,223	13,451	13,959	13,598
080	Of which issued by financial corporations	6,082	1,505	5,990	1,425	18,599	9,629	16,611	9,657
090	Of which issued by non-financial corporations	1,584	758	1,584	758	2,244	198	2,311	213
120	Other assets[2]	64,273	118			670,909	6,934		

(2) Of which loans and advances.

12/31/2022 *(in € millions)*		Carrying amount of encumbered assets	of which HQLA and EHQLA	Fair value of encumbered assets	of which HQLA and EHQLA	Carrying amount of unencumbered assets	of which HQLA and EHQLA	Fair value of unencumbered assets	of which HQLA and EHQLA
010	**Institution assets**	**93,355**	**5,575**	-	-	**667,576**	**28,645**	-	-
030	Equity instruments	6	5	6	5	6,998	100	6,998	100
040	Debt securities	11,189	5,428	11,655	5,964	34,345	22,692	33,124	23,030
050	Of which secured bonds	288	288	288	288	4,293	4,282	4,293	4,282
060	Of which asset-backed securities	2,036	842	2,277	904	715	87	503	87
070	Of which issued by public administrations	3,808	3,463	3,805	3,460	14,180	14,347	14,063	14,596
080	Of which issued by financial corporations	5,895	1,240	5,891	1,341	16,225	6,959	15,083	7,008
090	Of which issued by non-financial corporations	1,617	761	1,617	761	2,892	172	2,840	172
120	Other assets[2]	82,461	125	-	-	625,362	5,610	-	-

(2) Of which loans and advances.

(1) All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

TABLE 74: COLLATERAL RECEIVED [1] (EU AE2)

12/31/2023 *(in € millions)*		Fair value of the encumbered guarantee received or of encumbered own-debt securities issued	of which HQLA and EHQLA	Fair value of the guarantee received or of own-debt securities issued available for pledging	of which HQLA and EHQLA
130	**Collateral received**	14,566	10,060	8,440	2,580
140	Loans on demand	0	0	0	0
150	Equity instruments	727	204	741	140
160	Debt securities	13,906	9,773	6,835	2,398
170	Of which secured bonds	116	116	128	128
180	Of which asset-backed securities	2,728	1,428	2,615	1,103
190	Of which issued by public administrations	8,046	7,852	1,092	940
200	Of which issued by financial corporations	5,201	1,610	4,198	1,238
210	Of which issued by non-financial corporations	847	391	1,388	169
220	Loans and advances other than loans on demand	0	0	825	0
230	Other collateral received	0	0	1,181	0
240	**Own debt securities issued other than own secured bonds or asset-backed securities**	0	0	256	0
241	**Own covered bonds and asset-backed securities issued and not yet pledged**	-	-	0	0
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN-DEBT SECURITIES ISSUED**	**90,240**	**16,218**		

12/31/2022 *(in € millions)*		Fair value of the encumbered guarantee received or of encumbered own-debt securities issued	of which HQLA and EHQLA	Fair value of the guarantee received or of own-debt securities issued available for pledging	of which HQLA and EHQLA
130	**Collateral received**	13,334	9,370	8,217	3,056
140	Loans on demand	0	0	0	0
150	Equity instruments	944	446	356	104
160	Debt securities	12,390	8,792	6,703	2,929
170	Of which secured bonds	91	64	70	70
180	Of which asset-backed securities	2,176	1,318	3,137	1,691
190	Of which issued by public administrations	6,795	6,595	935	930
200	Of which issued by financial corporations	4,596	1,538	4,418	1,773
210	Of which issued by non-financial corporations	778	457	1,238	102
220	Loans and advances other than loans on demand	0	0	573	0
230	Other collateral received	0	0	847	0
240	**Own debt securities issued other than own secured bonds or asset-backed securities**	0	0	0	0
241	**Own covered bonds and asset-backed securities issued and not yet pledged**	-	-	0	0
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN-DEBT SECURITIES ISSUED**	**107,241**	**14,935**	**-**	**-**

(1) *All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.*

TABLE 75: CARRYING AMOUNT OF ENCUMBERED ASSETS/COLLATERAL RECEIVED AND LIABILITIES BACKED [(1)] (EU AE3)

12/31/2023 *(in € millions)*		Associated liabilities, contingent liabilities or securities loaned	Assets, guarantees received and own-debt securities issued other than guaranteed bonds and securities backed by encumbered assets
010	Carrying amount of the financial liabilities selected	68,849	85,538

12/31/2022 *(in € millions)*		Associated liabilities, contingent liabilities or securities loaned	Assets, guarantees received and own-debt securities issued other than guaranteed bonds and securities backed by encumbered assets
010	Carrying amount of the financial liabilities selected	83,847	102,548

5.16 EQUITY RISK

The equity risk run by Crédit Mutuel Alliance Fédérale is of different kinds.

5.16.1 Financial assets at fair value through profit or loss

Equity portfolios held for trading amounted to €1,264 million as of December 31, 2023 compared to €731 million as of December 31, 2022 and were related exclusively to CIC Capital Markets (see note 5a to the consolidated financial statements). Equities recognized as other fair value through profit or loss mainly related to the private equity business line, with €4,953 million (see note 5a to the consolidated financial statements). Long-term investments recognized as "other fair value through profit or loss" amounted to €1,138 million as of December 31, 2023, of which €442 million in equity investments and €101 million in other long-term investments.

5.16.2 Financial assets at fair value through shareholders' equity

Outstanding equities and long-term investments classified as assets at fair value through shareholders' equity amounted to €124 million and €538 million, respectively. Long-term investments included:

- equity investments for €99 million;
- other long-term investments for €387 million.

5.17 PRIVATE EQUITY

This activity is carried out through entities dedicated to the business line with a portfolio fully valued at fair value through options.

TABLE 76: RISKS RELATED TO PRIVATE EQUITY

	12/31/2023	12/31/2022
Number of listed lines	15	15
Number of unlisted lines	290	289
Number of funds	28	25
Portfolio revalued for proprietary trading *(in € millions)*	4,200	3,545
Capital managed on behalf of third parties *(in € millions)*[(1)]	0	190

(1) The subsidiary Crédit Mutuel Capital Privé was sold by Crédit Mutuel Equity to the La Française Group on May 9, 2023 (and renamed Crédit Mutuel Impact). At December 31, 2023, Crédit Mutuel Equity no longer had any capital managed on behalf of third parties.

Source: Crédit Mutuel Impact (formerly Crédit Mutuel Equity).

Proprietary trading investments were spread over approximately 305 lines (excluding investments in funds), primarily covering small- and medium-sized enterprises.

(1) All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

5.18 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Application of implementing technical standards (ITS) relating to prudential information on ESG risks in accordance with Article 449a of the CRR

Environmental, social and governance (ESG) risks are gradually increasing in importance. They are factors that determine the other risks to which Crédit Mutuel Alliance Fédérale is exposed, in particular credit risk, operational risk and financial risks. In particular, they are likely to affect, directly or indirectly, the ability of companies/individuals to repay their receivables and thus affect the group's profitability and the sustainability of the business model. This is why ESG factors and risks are integrated into Crédit Mutuel Alliance Fédérale's strategy and overall risk management.

5.18.1 Definition of ESG risks

Environmental, social and governance factors can have a positive or negative impact on the financial performance or solvency of economic agents. They constitute the essential information to understanding the non-financial performance of companies.

ESG risks have, therefore, an adverse effect on the financial performance or solvency of Crédit Mutuel Alliance Fédérale due to the impacts of these factors on its counterparties and its assets. They correspond to the direct or indirect risks of financial losses related to climate or environmental events that may impact Crédit Mutuel Alliance Fédérale or its customers, to changes in society or failures in the governance of its customers.

Crédit Mutuel Alliance Fédérale's risk management system is strictly regulated and is based on a national and European regulatory framework that is strengthened year by year.

With regard to climate and environmental issues, the main prudential expectations in terms of ESG risk management and reporting are part of a comprehensive framework detailed in the European Central Bank (ECB) climate and environmental risks guide, published on November 27, 2020. Crédit Mutuel Alliance Fédérale uses this guide to develop a non-financial risk management framework as well as other regulations or requirements such as:

- the European Banking Authority (EBA) report on ESG risk management and supervision published on June 23, 2021 which provides financial institutions with common definitions of ESG risks and their transmission channels while identifying assessment methods necessary for the effective management of these risks;
- Regulation (EU) 2020/852 of June 18, 2020, known as the "Taxonomy" Regulation, which establishes a framework to promote sustainable investments through a classification of economic activities to certify their environmental sustainability;
- Implementing Regulation (EU) 2022/2453 of December 19, 2022, which details the prudential disclosure requirements relating to environmental, social and governance risks in Pillar 3 reports.

The social and societal theme as well as the theme relating to governance are mainly governed by national regulations on business ethics:

- Law No. 2017-399 of March 27, 2017 on the duty of care of parent companies and ordering companies, which establishes vigilance obligations with regard to the largest companies and provides for their liability in the event of failure to manage risks of violations of human and social rights as well as fundamental freedoms, health and safety;
- Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life, which establishes a framework for the prevention and detection of corruption.

5.18.1.1 Risks related to the climate and the environment

Climate change and environmental deterioration have serious consequences on economic and social activities. Many economic sectors are directly affected by climate hazards, which are increasing in number and intensity. They represent an environmental risk affecting the financial stability of Crédit Mutuel Alliance Fédérale and its counterparties. Environmental risks are broken down into several types of risks, including climate risk and biodiversity risk.

They may also lead to reputational and liability risks, which are addressed within Crédit Mutuel Alliance Fédérale *via* a dedicated management system.

5.18.1.1.1 Climate risks

Climate risk comprises two families of risks: physical risks related to the financial effects of climate change and transition risks related to the effects of regulatory or societal changes that may impact the business model of companies.

Physical risks relate in particular to direct losses caused by climate change (including the increase in extreme weather events and gradual changes in climate) and environmental deterioration (such as air, water and soil pollution, water stress, biodiversity loss and deforestation).

Physical risk can be qualified as:

- "acute" when it results from extreme events, such as droughts, floods and storms; and
- "chronic" when it results from gradual changes, such as rising temperatures, sea level rise, water stress, biodiversity loss, land use change, habitat destruction and the resource scarcity. It may have direct consequences, such as damage to property or reduced productivity, or indirect consequences, such as disruption of supply chains.

Transition risk refers to the financial losses that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon economy and more environmentally sustainable economy. It may arise, for example, from the relatively sudden adoption of climate and environmental policies, technological progress or changes in market behavior and preferences.

To date, climate risks are treated as a separate issue while making the link with the existing risk categories. The mechanisms for transmitting climate and environmental risks to other risks (particularly credit) are numerous and vary according to whether physical or transition risks are assessed. This is why the matrix aspect of climate and environmental risks requires the increasing mobilization of all Crédit Mutuel Alliance Fédérale risk teams (credit risk, operational risk, global risk management, etc.) to:

- identify and measure the impacts of climate risk on these risks, by updating a climate risk materiality matrix;
- adapt existing tools and processes where necessary;
- set up management indicators.

5.18.1.1.2 Risks related to biodiversity loss

According to the definitions established by the Taskforce on Nature-related Financial Disclosures (TNFD) in its guide published in September 2023, risks related to biodiversity are potential threats to an organization resulting from its dependence on and impact on nature. Risks can be physical or transition.

Physical risk is the risk of economic costs and financial losses resulting from the deterioration of nature and the resulting loss of ecosystem services on which economic activity depends. It can be chronic (*e.g.* a gradual decline in the diversity of pollinator species leading to reduced agricultural yields) or acute (*e.g.* increased likelihood of new pandemics/ zoonoses).

Transition risk is equivalent to the risk of economic costs and financial losses resulting from a misalignment of practices with stakeholders' expectations in terms of biodiversity protection. It can be driven by changes in regulation and policy, case law, technology, investor sentiment and consumer preferences.

5.18.1.2 Social risks

Social factors, as defined by the European Banking Authority in its report on ESG risk management and supervision [1], correspond to social issues that may have a positive or negative impact on the financial performance or solvency of an entity, a sovereign or an individual. They are mainly related to the rights, well-being and interests of individuals and communities, and include factors such as equality, health, inclusion, labor relations, occupational health and safety, human capital and communities.

Social risk is any negative financial impact on the institution resulting from the current or future impacts of social factors on its counterparties or invested assets.

To date, Crédit Mutuel Alliance Fédérale has not carried out any work intended to measure an adequacy between the social risk and the other risk categories.

5.18.1.3 Governance risks

Governance factors as defined by the European Banking Authority are all governance issues that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual. They include governance practices, including executive management, executive compensation, audits, internal controls, tax avoidance, independence of the Board of Directors, shareholder rights and corruption, and also how companies or entities integrate environmental and social factors into their policies and procedures.

Governance risks are the risks of any negative financial impact on the institution due to the current or future impacts of governance factors on its counterparties or invested assets.

To date, Crédit Mutuel Alliance Fédérale has not carried out any work intended to measure an adequacy between the governance risk and the other risk categories.

5.18.2 ESG risk governance

5.18.2.1 Role and involvement of governance bodies in the supervision and management of ESG risks

The environmental, social and governance risk governance system is part of the overall risk governance system, which includes:

- the governing bodies, which are the Board of Directors (management body in its supervisory function) and Executive Management (management body in its executive function); and
- the three lines of defense involved in the group's risk management: the operational departments (first line), the risk, compliance and permanent control division of Crédit Mutuel Alliance Fédérale (DRCC) (second line) and periodic control (third line).

The effective implementation of the group's risk appetite is based on the coordination of the management bodies with the various technical and specialized committees and the meetings of the Board of Directors, which are attended by Crédit Mutuel Alliance Fédérale's effective managers and Chief Risk Officer.

(1) *Environmental, social and governance.*

This structure is described in the non-financial performance statement (NFPS), Chapter 3.2.

5.18.2.1.1 Supervisory body

The Board of Directors of Crédit Mutuel Alliance Fédérale is directly involved, at its meetings through agenda items on CSR topics and indirectly, through the Group Risk Monitoring Committee, which is tasked in particular with advising the Board on the supervision of risks related to the climate and the environment. As part of its duties, the Board validates the strategic orientations, sectoral policies and the level of risk appetite.

In 2023, as part of their respective missions, the Board of Directors, the Compensation Committee, the Appointments Committee and the Group Risk Monitoring Committee examined issues related to SMR and climate risks.

Crédit Mutuel Alliance Fédérale's SMR policy is based on responsible and committed governance. Its directors actively contribute to the life of the group in accordance with the rules of independence, ethics and integrity. The SMR action plan is validated by a dedicated working group of the *Chambre syndicale et interfédérale*, a mutualist parliament that brings together the elected Chairmen of the local and regional banks and federations, and the Chief Executive Officers at least twice a year. This working group is presided over by the Chairman of Crédit Mutuel Alliance Fédérale.

5.18.2.1.2 Effective managers

Crédit Mutuel Alliance Fédérale's Executive Management Committee (CDG) is directly involved in the assessment and management of climate and environmental risks during its meetings through items devoted to CSR and indirectly through various committees chaired by the Chief Executive Officer. The Chief Risk, Compliance and Permanent Control Officer is a member of the executive bodies in which CSR issues are addressed. This articulation is described in the NFPS Chapter 3.2.

The SMR Governance Committee, coordinated by the group risk department, is made up of the group's main effective managers and business managers. It is presided over by the Chief Executive Officer of Crédit Mutuel Alliance Fédérale and the Chairman of Crédit Mutuel Alliance Fédérale participates as a guest. This committee recommends strategic orientations, approves the roadmap and ensures its proper execution.

The SMR Governance Committee met three times in 2023.

5.18.2.1.3 Consideration of ESG risks by the internal control functions

The group risk department is made up of several divisions, including the SMR division.

Its main tasks are:

- defining and implementing Crédit Mutuel Alliance Fédérale's SMR policy for all Crédit Mutuel Alliance Fédérale entities and business lines;
- steering Crédit Mutuel Alliance Fédérale's ESG risk management system together with Confédération Nationale du Crédit Mutuel's (CNCM) risk department, in order to meet the prudential regulations and requirements in force, in particular by implementing appropriate procedures for the decision-making and reporting tools and reporting used by group entities (sectoral policies in particular);
- coordinating and ensuring the proper execution of SMR projects alongside business line experts (HR, logistics, IT, sales, compliance, etc.);
- reporting on the actions carried out to the SMR Governance Committee and to the executive (Group Risk Committee) and supervisory (Group Risk Monitoring Committee) bodies of Crédit Mutuel Alliance Fédérale;
- participating in various specialized committees, including the corporate banking SMR Committee;
- coordinating the network of SMR contacts responsible, within the various Crédit Mutuel and Alliance Fédérale entities and structures, for disseminating the group's SMR policy among employees and elected members;
- communicating and training group employees to improve the appropriation of policies and action plans related to ESG issues.

One of the SMR division's activities is dedicated to the management of Crédit Mutuel Alliance Fédérale's environmental and climate risks. Its main functions are as follows:

- managing supervisory relationships on climate and environmental risks on behalf of Crédit Mutuel Alliance Fédérale in conjunction with the CNCM;
- integrating climate and environmental risk into the various risk management systems (Risk Appetite Framework - RAF, risk mapping, ICAAP, ILAAP, etc.);
- regulatory reporting (Pillar 3 ESG, Taxonomy, ACPR, etc.);
- risk dashboards: monitoring of exposures related to sectoral policies, climate and environmental risk monitoring indicators;
- regulatory monitoring.

This articulation is described in the NFPS Chapter 3.2.

The beginning of 2024 is marked by an organizational change in the monitoring of ESG issues and risks. In September 2023, Crédit Mutuel Alliance Fédérale announced the creation of the Mutualist Institute for the Environment and Solidarity, whose mission, when it was set up operationally at the end of the first quarter of 2024, is to become the group's leading center of expertise on ESG issues. The institute will be an operational department of Caisse Fédérale de Crédit Mutuel (CFdeCM) reporting directly to the Chief Executive Officer of CFdeCM. The teams dedicated to monitoring ESG risks will continue to hierarchically and functionally report to the group risk department.

The organizational structure by business line of the internal control functions continues its organization work. In line with the ECB's expectations, the group has set several objectives for 2024:

- definition of the roles and responsibilities of the lines of defense in terms of risk management and control;
- compliance and permanent control: definition of a minimum common base of controls concerning climate risks;
- periodic control: inclusion of climate risks as an auditable item in the five-year audit plan.

The year 2023 was marked by the completion of an internal audit mission during the second half of the year on climate and environmental risks as well as the non-financial publications of Crédit Mutuel Alliance Fédérale. The final conclusions of this audit are not known at the date of writing of this report.

5.18.2.1.4 Consideration of ESG risks by the business lines

One of the missions of the SMR division is to support the consideration of ESG risks by the business lines. To this end, the SMR division coordinates and manages numerous projects to ensure the deployment within the business lines.

At the end of 2022, the SMR division launch a first e-learning program to make all employees aware of the SMR approach. This training is one of the mandatory modules to be completed in 2023. It enabled everyone to better understand the issues, to know the objectives of the sectoral policies and to understand the ESG criteria.

Other training courses were carried out in line with business line needs. In particular, a webinar was broadcast to communicate to corporate customer relationship managers the good habits to have with customers when addressing ESG criteria, new regulations and exploiting new business opportunities.

SMR is also an essential theme in the School for Directors - EDD training. This training was updated in 2023 so that they can appropriate this knowledge to become committed players and explain the approach to their employees. Since the end of the year, the climate fresco has been added to the EDD training course.

In 2023, all employees of the risk, compliance and permanent control department were also made aware of the causes and effects of climate change through the climate fresco.

In addition, many projects aimed at integrating ESG data into the information system were developed in 2023. The first of these, the "real estate asset repository" project, was gradually deployed from the end of 2023 for processing applications of residential real estate assets, assets pledged as collateral and assets under management. The general deployment for these applications is finalized when this document is published.

The second aims to deploy several analysis grids in the information system for different types of customers in order to respond to the diversity of Crédit Mutuel Alliance Fédérale's activities.

5.18.2.2 Integration of ESG risk and factor management measures into internal governance systems

Crédit Mutuel Alliance Fédérale pays increasing attention to ESG issues. It has developed a framework for analyzing the ESG performance of its counterparties based on the main international commitments signed by CNCM or CIC, in particular the Global Compact, to which it has been a signatory since 2003. It ensures compliance with and application of the ten principles, including human rights, international labor standards and the fight against corruption, by reporting annually to its stakeholders on the progress made on these ten principles, in order to continuously improve its performance by identifying areas for improvement.

Environmental risks

The link between Crédit Mutuel Alliance Fédérale's management bodies and the various internal control components, including environmental and climate risks, is based on:

- communication to the executive body:
  - directly by the teams involved in risk management located in the second and third lines of defense. The risk, permanent control and compliance department, as well as periodic control, report to the Chief Executive Officer,
  - through executive, technical and operational committees such as the Group Risk Committee (GRC) and the SMR Governance Committee;
- communication to the supervisory body:
  - directly by the teams involved in risk management located in the second and third lines of defense,
  - through specialized committees such as the Group Risk Monitoring Committee (GRMC).

The group risk department is responsible for the organization and secretariat of the GRC, the GRMC and the SMR Governance Committee.

The role of the GRC and the GRMC are described in the Risk Management chapter of the universal registration document.

The sectoral policies developed by the SMR division and any changes to them are subject to approval by the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM and CIC. The SMR division also monitors exposures eligible for sectoral policies, which are included in the risk dashboard. The quarterly risk dashboard is prepared by the risk department. It is the main report analyzing all Crédit Mutuel Alliance Fédérale's risks. In particular, it includes the monitoring of financing and investment exposures in sectors eligible for a sectoral policy. It is presented to the Group Risk Committee and the Group Risk Monitoring Committee.

Social risks

As part of its non-financial risk mapping, the Crédit Mutuel group identifies and determines the social risk management policies implemented by the regional groups, including Crédit Mutuel Alliance Fédérale. Key management indicators are defined jointly by CNCM and the regional groups, including Crédit Mutuel Alliance Fédérale, to monitor and manage ESG risks. Crédit Mutuel Alliance Fédérale has developed specific governance to manage these risks and monitor the ESG ratings of counterparties.

Risk governance

Crédit Mutuel Alliance Fédérale relies on ESG risk governance to understand the governance risk of their counterparties as part of their ESG analysis. As part of their financing activities, the committees issue a written opinion while deciding to grant loans. As part of their due diligence, they update their customer knowledge with the non-financial performance statement of their counterparties. This statement, audited by an independent third party, was reviewed and validated in accordance with regulations. This review is mainly carried out as part of investment activities or on behalf of the corporate bank.

5.18.2.3 Alignment of the compensation policy with the institution's ESG risk objectives

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members.

5.18.3 ESG risk strategy

5.18.3.1 Integration of ESG risks into Crédit Mutuel Alliance Fédérale's economic strategy

Through its mutualist and cooperative model, Crédit Mutuel Alliance Fédérale strives to combine the needs of its members and customers with the challenges of its time, in a search for overall financial, environmental and social performance. It is thus pursuing a responsible development strategy, and is positioning itself as a banking and financial partner of a world that is designed over the long term, serving the regions and their players.

As a responsible actor, Crédit Mutuel Alliance Fédérale is committed to building a more sustainable world, taking into account the impact of environmental factors and risks on its business environment, its business model and its strategy.

At the end of a participatory discussion with its elected members and employees, Crédit Mutuel Alliance Fédérale adopted a *raison d'être* at the end of 2020, *Ensemble, écouter et agir* (Listening and acting together) and the status of a benefit corporation. This *raison d'être* is intended to guide strategic and operational decisions. Five missions have been defined, resulting in 14 concrete commitments to be achieved by the end of 2022. Two of these commitments are linked to the group's climate strategy and its environmental ambition to align its activities with the trajectory of the Paris Agreement.

They reinforce the Social and Mutualist Responsibility (SMR) approach, centered around five ambitions broken down into 15 commitments and highlighting in particular the environmental priorities of reducing the group's environmental impact, reinforcing quality solutions and offers, and responsible services.

Crédit Mutuel Alliance Fédérale has included three ambitious ecological and climate transition objectives in its 2019-2023 strategic plan.

A cross-reference table between the commitments of the benefit corporation, the objectives of the 2019-2023 strategic plan and those of the SMR policy can be found in Chapter 3.2 of the NFPS.

At the national level, Crédit Mutuel Alliance Fédérale participates in the Crédit Mutuel group's 2020-2023 action plan, which aims to jointly capitalize on the initiatives undertaken and to manage the common challenges related to climate and environmental risks and CSR.

Crédit Mutuel Alliance Fédérale is a member of the Crédit Mutuel group's "Climate Risks & CSR" Steering Committee made up of Chief Risk Officers and/or directors in charge of CSR from each regional group and information systems representatives.

5.18.3.2 Objectives, targets and limits for ESG risk assessment and management

Crédit Mutuel Alliance Fédérale takes into account the impact of environmental factors and risks in its business model and in its SMR strategy, in order to adapt them.

This translates into:

- the integration of the monitoring of environmental and climate risks, as well as their transmission mechanisms to other risks (particularly credit), into the group's risk management system;
- the implementation of dedicated tools to identify, measure, manage and monitor all of these risks (both physical and transitional);
- the deployment of measures to mitigate the impact of environmental risks and measures to adapt to climate change;
- the desire to support members and customers in their transition to more sustainable lifestyles that are compatible with the challenges of the environmental and social transition.

In addition, sectoral policies (coal, hydrocarbons, transportation, mines) provide a framework for operations that are possible with companies operating in sectors that emit large quantities of greenhouse gases or have environmental impacts. They also include exclusions and restrictions on lending.

Assets eligible for these policies are monitored on a quarterly basis.

Objectives have been defined as part of commitments #12 and #13 of mission number 5 "As a responsible company, actively work for a fairer and more sustainable society":

- reduction of the group's carbon emissions by 20% (France scope – office life – energy items – refrigerants – motor fleet – business travel) between end 2018 and end 2020;
- stop financing new oil and gas projects from 2021.

Crédit Mutuel Alliance Fédérale is also pursuing the ecological and climate transition objectives of its revised 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!):

- reduction of internal carbon emissions by 30% and of the carbon footprint of the corporate finance and equity portfolio by 15%;
- acceleration of financing for projects with a high climate impact (+30%).

All of these objectives are monitored annually.

Moreover, as part of its membership of the Net-Zero Banking Alliance (NZBA), presented in the previous paragraph, Crédit Mutuel Alliance Fédérale has published its commitments, in a separate publication, on the first two economic sectors identified as producing high emissions. These first two sectors are:

- hydrocarbons;
- electricity production.

By 2030, Crédit Mutuel Alliance Fédérale is committed to reducing its carbon footprint (scopes 1, 2 and 3) by 30% compared to 2018 in the hydrocarbon sector. For the electricity production sector, the commitment is to have more than 90% of its electricity production exposure in projects or counterparties with CO_2 emissions below 100g CO_2/kWh.

With regard to social risk, in the context of Law No. 2017-399 of March 27, 2017 on due diligence of parent companies and ordering companies, Crédit Mutuel Alliance Fédérale draws up and implements a vigilance plan, intended to prevent serious human rights violations in the context of their activities and those of their subcontractors and suppliers with whom we have a long-term business relationship. This vigilance plan covers human rights and fundamental freedoms, human health and safety, and the environment. This plan is presented in Chapter 3.11 of the NFPS.

5.18.3.3 Counterparty engagement policies and procedures

In order to mitigate the risks associated with environmental, social and governance factors, Crédit Mutuel Alliance Fédérale has established a dialogue with its customers to assess the ESG performance of its counterparties. To this end, Crédit Mutuel Alliance Fédérale relies mainly on an assessment grid of ESG criteria supplemented by an analysis and identification of potential controversies. In addition to this assessment grid, and as indicated in the previous paragraph, Crédit Mutuel Alliance Fédérale has sectoral policies covering high-emission sectors of activity and aimed at specifying the nature of the activities authorized with customers that operate in these sectors.

5.18.3.4 Current investing activities and (future) investment targets for environmental objectives and activities aligned with EU Taxonomy

In application of the European Parliament's Regulation (EU) 2020/852, known as the Taxonomy Regulation, and of the Delegated Regulation (EU) 2021/2139, from 2021, Crédit Mutuel Alliance Fédérale has has been working with the Confédération Nationale du Crédit Mutuel, to identify the proportion of its assets eligible for the European taxonomy in its customer portfolio. In accordance with the regulations, the 2023 Non-Financial Performance Statement (3.8.4 Climate risk management) presents the methodology and results of the analysis of the alignment of assets with the first two environmental objectives (climate change mitigation and adaptation).

Strongly committed to respecting the trajectory of the Paris Agreement on the climate, Crédit Mutuel Alliance Fédérale has chosen an ambitious climate strategy and has included ambitious objectives in terms of ecological and climate transition in its 2019-2023 strategic plan.

Two objectives were set and largely achieved:

- Reduce the carbon footprint of Corporate portfolio financing by 15%

	2023	2022	2021	2020	2019	2018
Portfolio carbon footprint tCO_2e emitted/€m loaned	148.0	158.2	251.1	256.6	286.1	348.8

- Increase projects with a high climate impact by 30%

	2023	2022	2021	2020	2019	2018
Cumulative authorizations in € billions	2.2	2.2	2	1.8	1.6	1.3

The group is also developing corporate financing through impact loans or sustainability linked loans, which may include environmental objectives in loan contracts.

Ranges of loans, with preferential rates, to finance investments dedicated to energy saving for companies, local authorities and individuals are also offered.

Crédit Mutuel Alliance Fédérale has also strengthened its commitments to the agricultural and winemaking world, with financing solutions to promote efficient, sustainable and low-carbon agriculture (financing of the non-subsidized part of a carbon diagnosis, payment of a subsidy of €500 [1] to finance the "High Environmental Quality" or "Organic Farming" certification process for farmers who want to certify their farms, and the launch of a subsidized Agricultural Transition Loan to facilitate the transformation of farms to agroecological models).

(1) First budget envelope of more than €2 million.

At the end of 2023, Assurances du Crédit Mutuel held €4.2 billion in green bonds, €1.1 billion in so-called social bonds and had nearly €1.5 billion invested in vehicles such as sustainable bonds or sustainability loans.

In 2023, Crédit Mutuel Impact (formerly Crédit Mutuel Capital Privé) launched the Environmental and Solidarity Revolution Fund and continued to roll out the Siloé Infrastructures fund.

Replenished each year by the societal dividend of Crédit Mutuel Alliance Fédérale, the Environmental and Solidarity Revolution Fund aims to amplify the transformation of production models and intervene in the key areas of the climate and environmental transition where financial needs are very high. The first investments were made in the renovation and adaptation of housing, new energy sources (osmotic, syngas), the fossilization of non-recyclable waste, and the acquisition of a forest in the Vosges.

Through the contribution of equity (or quasi-equity), the Siloé Infrastructures fund finances long-term projects contributing to the development of regions in France and primarily targets projects related to the energy transition. The operations carried out between 2020 and 2022 mainly financed wind and photovoltaic projects. Investments in 2023 were focused on the development of electric vehicle charging infrastructures in conjunction with local authorities or private players as well as the financing of the thermal decarbonization of buildings.

The group's asset management activities are signatories to numerous market commitments, including the Principles for Responsible Investment and the Finance for Biodiversity Pledge.

The invested assets aligned with the objectives of the Taxonomy are published in the Article 29 reports of the Energy-Climate Act of the various asset management companies and insurers of Crédit Mutuel Alliance Fédérale [1].

5.18.4 Integration of ESG risks

5.18.4.1 Identification of ESG risks

The identification of ESG factors and risks is initially based on close monitoring of current events and regulations in this area. The Crédit Mutuel group conducts ongoing regulatory, prudential and competitive monitoring that is collaborative and shared between CNCM and the regional groups in terms of sustainable finance and climate issues. It builds and adapts its action plans in this area taking into account the latter, in particular the expectations of the European Central Bank, the European Banking Authority and the ACPR. This watch is supplemented by the monitoring of emerging case law resulting from a growing phenomenon of climate disputes which is reflected in the actions brought by associations and citizen groups against States or companies.

In addition to this system rolled out at the level of the Crédit Mutuel group, Crédit Mutuel Alliance Fédérale carries out:

- the monitoring of various metrics in the overall risk mapping and risk dashboard (monitoring of our exposures to the sectors covered by sectoral policies, exposure of our outstandings to physical risks, breakdown of ratings, etc.);
- the enhancement of our materiality matrix to more accurately assess the impact of physical and transition risks on the traditional risk categories;
- the creation of a biodiversity materiality matrix;
- participation in working groups led and organized by CNCM on climate and environmental risks (including reputation and liability risks);
- the storage of ISS OEKOM's ESG ratings in the information system and the creation of a historical database;
- the implementation of the EBA guidelines on credit granting and loan monitoring.

The ESG environmental risk management framework is based on international methodologies and standards, on which the group relies to meet the expectations of supervisors. In addition to the Global Compact and the Principles for Responsible Banking, which provide a global framework for addressing these issues in terms of methodology and reporting, Crédit Mutuel relies on the European Central Bank (ECB) guide related to climate and the environment as well as the European Banking Authority report on the management and supervision of ESG risks, and on the definitions provided by these documents.

As part of its group publications, Crédit Mutuel structures its publications in accordance with the TCFD's recommendations on environmental risks and has drawn up a cross-reference table of its environmental indicators with the standards of the GRI standard.

As part of the due diligence, social and societal risks are identified on the basis of risk factors and assessed according to the impact of the risk and existing means of prevention and mitigation (procedures, organizations and resources). Risks are then rated according to their severity in terms of impact, probability of occurrence and possibility of undetection. Crédit Mutuel Alliance Fédérale has defined and rolled out policies to prevent and mitigate these risks, together with objectives and monitoring indicators. Depending on the degree of risk and the coverage of this risk, the main potential risks have been identified in terms of human rights and fundamental freedoms and in terms of personal health and safety; a vigilance plan and the actions it supports are detailed in the universal registration document.

*(1) https://www.creditmutuel-am.eu/fr/non-professionnels/notre-approche-responsable/article-29-loi-energie-climat.html
https://www.la-francaise.com/fileadmin/docs/demarche_responsable/XX3687_-_Article_29_juillet_2023.pdf
https://www.dublytransatlantiquegestion.com/fr/telechargements/DTG-rapport-entite-art-29-LEC-2022.pdf
Our publications | Assurances du Crédit Mutuel (ACM)
Extra-financial report.pdf (creditmutuelimpact.fr)
2022 Entity Report - Article 29 Climate Energy Act.pdf (cic-privatedebt.eu).*

5.18.4.1.1 ESG risk mapping

Environmental risks have been integrated into Crédit Mutuel Alliance Fédérale's risk mapping and risk appetite framework. Thus, climate and environmental risks are assessed according to a methodology presented in Chapter 3.3 of the NFPS.

5.18.4.1.2 ESG risk temporality and link with financial risks

In order to refine its assessment of the significance of climate risks, the Crédit Mutuel group continued its work in 2023 to develop a national materiality matrix, applicable to Crédit Mutuel Alliance Fédérale. This materiality matrix aims to propose an appropriate detection and measurement process to assess the materiality of the climate-related and environmental risks that weigh on its business. The study of the materiality of climate risks is carried out in light of the analysis of transmission channels, Crédit Mutuel Alliance Fédérale's risk appetite and the relative nature of its risk exposures.

An assessment of the impact of physical and transition has therefore been carried out:

- three time horizons (short-term, medium-term, long-term);
- all risk categories in the national risk mapping;
- a three-tiered scale.

12/31/2023	Physical risk			Transition risk		
Risk category	Short term < 3 years	Medium term 3-10 years	Long term > 10 years	Short term < 3 years	Medium term 3-10 years	Long term > 10 years
Credit risks	+	++	+++	+	+++	++
Operational risks	+	++	+++	+	++	++
Market risks	+	++	++	+	++	++
Interest rate risk	+	+	+	+	+	+
Liquidity risk	+	+	+	+	+	+
Conglomerate insurance risk	+	+	++	+	+	++
Equity and investment risk	+	+	++	+	+	+
Strategic and business risk	+	+	++	++	+++	++

+++: Strong impact
++: Medium impact
+: Low impact

In the short term, climate risks are assessed as having a non-material impact for the prudential risk categories.

The climate risk factors with the greatest impact on Crédit Mutuel Alliance Fédérale's risk profile are:

- physical risks on long-term credit risks;
- transition risks on medium-term credit risks;
- physical risks on long-term operational risks;
- transition risks on medium-term strategic and business risks.

Crédit Mutuel Alliance Fédérale's materiality matrix is presented in detail in Chapter 3.3 of the NFPS.

In addition, in 2023, a national project was launched on the theme of risks related to the loss of biodiversity. Two fundamental concepts allowed the construction a first analysis approach: those of impacts and dependencies on biodiversity and ecosystem services. A materiality matrix of the risk related to the loss of biodiversity has been produced. For the sake of prioritization, only certain risk categories were retained. The other risks will be gradually added during the updates of the matrix, scheduled annually.

	Physical risk			Transition risk		
	< 3 years	3-10 years	> 10 years	< 3 years	3-10 years	> 10 years
Credit risks	+	++	++	+	+++	++
Operational risks	+	+	++	+	++	++
Strategic and business risk	+	+	++	+	++	++
Conglomerate insurance risk	+	+	++	+	+	++

+++: Strong impact
++: Medium impact
+: Low impact

5.18.4.2 ESG risk assessment

Crédit Mutuel Alliance Fédérale has set up various processes to identify and assess activities and exposures sensitive and vulnerable to ESG risks. The methodologies used are mainly based on impact modeling (stress testing) and exposure to ESG risks (*via* sectoral and geographical approaches and assessment of counterparty ESG risks). It monitors various metrics in the national risk mapping/risk dashboard (monitoring of outstandings in sensitive sectors, monitoring of changes in our coal and hydrocarbon exposures, etc.).

5.18.4.2.1 Environmental and climate risk measurement processes and tools

The identification, measurement and monitoring of activities and exposures sensitive to environmental risks is broken down into several approaches:

Sectoral policies:

Crédit Mutuel Alliance Fédérale has sectoral policies [1] on mobility, mining, coal, civil nuclear energy, defense and security, and agriculture. Sectoral policies are presented in Chapter 3.8.7 of the NFPS.

Geographical approach:

In order to better identify its vulnerability to physical risk, the Crédit Mutuel group, in a common approach shared between CNCM and the regional groups, has developed a methodology dedicated to identifying the exposure of its infrastructures and its assets financed with physical climate risks covering the following six climate hazards:

- acute risks: floods, droughts, storms-hail-snow;
- chronic risks: increase in air temperature, change in rainfall patterns and rise in sea levels.

This methodology includes the following methodological features:

- granularity at the postal code level in France, which represented 77% of Crédit Mutuel Alliance Fédérale's outstandings at December 31, 2023;
- five-level risk scale;
- historical and prospective data (horizon 2050) from public and scientific sources.

The results of this analysis are presented using the quantitative model 5 presented at the end of this chapter on ESG risks.

Scenario approach:

The extension of regulatory stress testing exercises to climate risks contributes to a better understanding and consideration of climate risks within the group. This allows to better identify and quantify the contribution of loan and asset portfolios as well as their vulnerability to the effects of climate change. The Crédit Mutuel group took part in two market exercises:

- a first exercise organized by the ACPR in 2020, focusing on the impact of transition risk on the credit and market portfolios;
- a second exercise conducted in 2022 by the ECB, focusing on the impacts of short-term physical risks and long-term transition risks;

5.18.4.2.2 Environmental, social and governance risk measurement processes and tools (ESG)

Crédit Mutuel Alliance Fédérale has defined specific measures to assess the degree of sensitivity of exposure to social and societal risk. To do this, we rely on our ESG rating system. The analysis of activities sensitive to social risk is based on documentation.

With regard to investment and asset management activities, Crédit Mutuel's subsidiaries assess counterparties in terms of the ESG impacts and risks associated with the activities they support, as well as their CSR policies. The group's asset management companies have their own systems for integrating ESG criteria into their investment policy. Further information is available in the annual reports of the entities concerned [2].

In addition, in order to assess the social risks of their counterparties, in the context of the requirements relating to the duty of care, Crédit Mutuel Alliance Fédérale deploys a vigilance plan on the risks of serious infringement in terms of human rights and fundamental freedoms, health/safety and the environment. Management indicators are defined and an implementation report is published each year. A whistleblowing system and procedure for reporting the existence or occurrence of risks is in place and a monitoring mechanism to analyze actions has been implemented. The monitoring indicator, overseen by the compliance department, is verified by an independent third party, but not published for reasons of confidentiality.

5.18.4.2.3 Data availability, quality and accuracy

The availability, quality and accuracy of data are central issues in the management of environmental, social and governance risks. The collection of ESG data on customers and on the group's scope is essential for the proper conduct of prudential and strategic work. The use of data suppliers and, as a last resort, the use of approximations on a defined scope make it possible to compensate for the current lack of data. The methodological notes accompanying these approximations reflect the choices made and uncertainties related to the models used.

In addition, many efforts are underway to improve the availability, quality and accuracy of the data, notably through the inclusion of climate data in the BCBS 239 project [3] and participation in market-based work. This is also reflected operationally in IT projects aimed, for example, at including customers' ESG ratings in the information system, or at collecting all data on the real estate property financed or received as collateral, notably the energy performance diagnostics.

(1) https://www.bfcm.creditmutuel.fr/fr/rsm/nos-politiques-sectorielles.html

(2) In particular: Crédit Mutuel Asset Management, La Française AM, Dubly Transatlantique Gestion, Crédit Mutuel Impact, etc.

(3) Basel Committee on Banking Supervision's standard number 239: Principles for effective risk data aggregation and risk reporting practices.

5.18.4.3 Risk management

5.18.4.3.1 Environmental and climate risk measurement processes and tools

Crédit Mutuel Alliance Fédérale's risk appetite framework, including climate and environmental risks, is reviewed annually. It is presented to the Group Risk Committee and the Group Risk Monitoring Committee, before being approved by the Board of Directors of Caisse Fédérale de Crédit Mutuel.

Climate and environmental risks were included in Crédit Mutuel Alliance Fédérale's risk appetite framework on January 1, 2023 with the inclusion of two indicators intended to cover the transition risk. This first integration was supplemented by the integration of four additional indicators on January 1, 2024 covering physical risks and transition risks.

This update of the risk appetite framework brings the number of indicators covering climate and environmental risks to six in 2024. These indicators are monitored at intervals approved by the Board of Directors.

5.18.4.3.2 Integration of the short-, medium- and long-term effects of ESG factors and risks, as well as counterparties' governance performance, into the risk appetite framework

Climate and environmental risks were also included in the Internal Capital Adequacy Assessment Process (ICAAP) and the Annual Internal Control Report (AICR). The management of climate and environmental risks is therefore fully integrated into the group's risk management system. The system is gradually being extended by advances in methodologies for analyzing climate risk factors and interactions with traditional risks.

Social and societal risks are identified and presented in the group's non-financial performance statement. Crédit Mutuel Alliance Fédérale has defined and rolled out policies to prevent and mitigate these risks, along with monitoring indicators, presented in the NFPS.

The work to feed the ICAAP (risk materiality analysis and projection exercises) has demonstrated that a risk management system is in place to ensure that these risks are managed and their evolution monitored in accordance with the consolidated roadmap.. On the other hand, it appears that climate risks do not cause a significant increase in short-term risks (provisions, transfer of buckets), either in terms of physical risk (one-year horizon) or transition risk (three-year horizon).

At this stage, the group does not therefore allocate any additional capital for climate risks.

Climate risks are also analyzed in the ILAAP (Internal Liquidity Adequacy Assessment Process). This is the result of a liquidity risk assessment and management system in line with climate risks. This is based on qualitative, quantitative and forward-looking assessments of the issues at stake, both for physical risk and transition risk.

With regard to social and governance risks, before entering into a relationship, Crédit Mutuel applies the applicable regulatory obligations in terms of "know your customer" as soon as contact with a clearly and previously identified natural or legal person may lead entering into a new relationship. The due diligence measures resulting from these obligations are carried out before any transaction or advice is given. The collection of all customer knowledge elements enables Crédit Mutuel Alliance Fédérale entities to establish a money laundering and terrorist financing (ML-TF) risk profile for each of their business relationships.

The completeness and compliance of the collection of customer knowledge items are verified. Their analysis leads to the establishment of a risk profile of the business relationship and to assess the future mode of operation of the relationship. This will be used, where applicable, to detect unusual transactions or transactions that are inconsistent with the risk profile of the business relationship and (if necessary, depending on the risk assessment), the origin and destination of the funds concerned by the operations. If the information necessary to determine the nature and nature of the business relationship is not obtained, it will not be possible to initiate the relationship.

Throughout the business relationship, Crédit Mutuel Alliance Fédérale entities update and analyze the information that enables them to maintain appropriate and up-to-date knowledge of their business relationship, in particular with a view to periodically reassessing the customer ML-TF risk level.

5.18.4.3.3 Activities, commitments and exposures contributing to mitigating environmental and social risks

Crédit Mutuel Alliance Fédérale endorses the commitments made by the Confédération Nationale on behalf of the Crédit Mutuel group in several initiatives to mitigate and adapt to climate change and is a signatory of:

- the United Nations Global Compact since 2003. Since 2018, the Crédit Mutuel group has also shared its contribution to the Sustainable Development Goals (SDGs) adopted in 2015 by the United Nations;
- the Principles of Responsible Banking (PRB), an initiative resulting from the United Nations Program for Sustainable Finance (UNEP-FI), whose principles aim to align the strategy of companies with the SDGs, to steer their activities towards more inclusive finance and a sustainable economy, and to be transparent about their positive and negative impacts on people and the planet;
- the Net-Zero Banking Alliance in May 2021, and thus aligns the decarbonization trajectories of its portfolio with the objectives of the Paris Agreement.

Commitments are also made at the level of Crédit Mutuel Alliance Fédérale subsidiaries:

- signature of the Poseidon Principles in 2019 by CIC with the objective of being below the curve of the International Maritime Organization by 2025, as part of its maritime transportation policy, which also excludes the financing of all vessels carrying oil and dedicated to the transportation of unconventional gas;
- signature by Crédit Mutuel Asset Management and Groupe La Française of the Finance for Biodiversity Pledge.

Crédit Mutuel's role is to work alongside economic players in the regions in which it operates. Convinced of the need to support them in the transformation of their economic model and their social and environmental transitions, it has chosen to set a framework aimed at developing the positive impact of its customers.

Crédit Mutuel Alliance Fédérale deploys various systems to mitigate environmental and social risks, in particular through the ESG assessment of its counterparties as part of our investment and financing activities. This ESG assessment is supplemented by a set of ambitious sectoral policies on the sectors most at risk in terms of societal and environmental issues.

At the same time, in accordance with Regulation (EU) 2019/2088 on the publication of information on sustainability in the financial services sector, known as the Disclosure Regulation, the group's entities subject to these obligations have changed their ESG approach to meet the notion of sustainability risk assessment and published their policies for integrating sustainability risks into decision-making processes. They also publish indicators such as the share of their ESG outstandings, the share of SRI-certified outstandings, etc.

Crédit Mutuel Alliance Fédérale has also developed specific products to support customers in improving their environmental, social and/or societal practices, in particular the CSR transition loan, the renovation advance loan and the Crédinergie detailed in Chapter 3.8 of the NFPS.

5.18.4.3.4 Description of the limits set for environmental risks (as vectors of prudential risks) and social risk

As specified in Section 4.3.1 of this chapter, six environmental risk indicators are included in the risk appetite framework. The limits and alert thresholds were calibrated taking into account our risk appetite as well as the commitments made through our sectoral policies or our strategy. This setting also includes prior exchanges between CNCM and Crédit Mutuel Alliance Fédérale in order to ensure overall consistency. These indicators are monitored according to the frequency of each indicator.

5.18.4.4 Reporting

Environmental risks are monitored by the Group Risk Committee and the Group Risk Monitoring Committee on a quarterly basis *via* the risk dashboard. These risks are also regularly discussed by the bodies, as mentioned in Section 2 of this chapter on ESG risk governance. In 2023, the internal governance bodies were regularly informed and had to approve the main areas of work and issues on these subjects, including the follow-up of the recommendations of the thematic climate review, the update of the risk mapping, appetite framework and ICAAP, Pillar 3 reporting, validation of the general framework for monitoring climate and environmental risks, etc.

At the same time, Crédit Mutuel Alliance Fédérale and CIC publish a non-financial performance statement. They present and identify the main risks faced by the group and one of its subsidiaries, CIC, and detail the various policies implemented to deal with them. Key performance indicators are jointly defined between the regional groups and CNCM, as part of the work carried out by the CSR working group.

5.18.5 Cross-reference tables

5.18.5.1 Qualitative information on environmental risk

Economic strategy and processes		Corresponding chapter
a)	Business strategy of the institution aiming to integrate environmental factors and risks, taking into account their impact on the business environment, business model, strategy and financial planning of the institution	Chapter 5.18.3
b)	Objectives, targets and limits for the assessment and management of the environmental risk in the short, medium and long term, and assessment of the performance with regard to these objectives, targets and limits, including forward-looking information relating to the definition of the strategy and economic processes	Chapter 5.18.3
c)	Current investment activities and (future) investment targets towards environmental objectives and activities aligned with EU taxonomy	Chapter 5.18.3
d)	Policies and procedures related to direct and indirect engagement with new or existing counterparties on their environmental risk mitigation and reduction strategies	Chapter 5.18.4.3
Governance		
e)	Responsibilities of the management body for defining the risk tolerance framework, overseeing and managing the implementation of objectives, strategy and policies in the context of environmental risk management covering the relevant transmission channels	Chapters 5.18.2.1 and 5.18.2.2
f)	Integration by the management body of the short, medium and long-term effects of environmental factors and risks in the organizational structure within the business lines and internal control functions	Chapters 5.18.2.1 and 5.18.2.2
g)	Integration of measures to manage environmental factors and risks within internal governance arrangements, including the role of committees, segregation of duties and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	Chapters 5.18.2.1 and 5.18.2.2
h)	Reporting lines and frequency of reporting on environmental risks	Chapter 5.18.4.4
i)	Alignment of the compensation policy with the institution's environmental risk objectives	Chapter 5.18.2.3
Risk management		
j)	Integration of short, medium and long-term effects of environmental factors and risks into the risk tolerance framework	Chapters 5.18.1 and 5.18.4.3
k)	Definitions, methodologies and international standards underlying the environmental risk management framework	Chapters 5.18.1 and 5.18.4.1
l)	Processes to identify, measure and monitor activities and exposures (and collateral, if any) sensitive to environmental risks, covering relevant transmission channels	Chapter 5.18.4.1
m)	Activities, commitments and exposures contributing to mitigating environmental risks	Chapter 5.18.4.3
n)	Implementation of tools to identify, measure and manage environmental risks	Chapter 5.18.4.2
o)	Results and conclusions drawn from the implementation of the tools and estimated impact of the environmental risk on the capital and liquidity risk profile	Chapter 5.18.4.2
p)	Availability, quality and accuracy of data, and efforts to improve these aspects	Chapter 5.18.4.2
q)	Description of the limits set on environmental risks (as vectors of prudential risks) and triggering the involvement of higher levels, and exclusion from the portfolio in the event of breaches	Chapter 5.18.4.3
r)	Description of the link (transmission channels) between environmental risks and credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the context of risk management	Chapter 5.18.1

5.18.5.2 Qualitative information on social risk

Economic strategy and processes		Corresponding chapter
a)	Adjustment of the institution's economic strategy to integrate social factors and risks, taking into account the impact of social risk on the business environment, business model, strategy and financial planning of the institution	Chapter 5.18.3
b)	Objectives, targets and limits for the assessment and management of social risk in the short, medium and long term, and assessment of the performance with regard to these objectives, targets and limits, including forward-looking information relating to the definition of the strategy and economic processes	Chapter 5.18.3
c)	Policies and procedures for direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	Chapter 5.18.4.3
Governance		
d)	Responsibilities of the management body for defining the risk tolerance framework and in overseeing and managing the implementation of the objectives, strategy and policies defined in the context of social risk management, covering the approaches followed by counterparties with regard to: i) activities in favor of the community and society ii) labor relations and labor standards iii) consumer protection and product liability iv) human rights	Chapters 5.18.2.1 and 5.18.2.2
e)	Integration of measures to manage social factors and risks within internal governance arrangements, including the role of committees, segregation of duties and responsibilities, and the feedback loop from risk management to the management body	Chapters 5.18.2.1 and 5.18.2.2
f)	Reporting lines and frequency of reporting on social risks	Chapters 5.18.4.4
g)	Alignment of the compensation policy with the institution's social risk objectives	Chapter 5.18.2.3
Risk management		
h)	Definitions, methodologies and international standards underlying the social risk management framework	Chapters 5.18.1 and 5.18.4.1
i)	Processes to identify, measure and monitor activities and exposures (and collateral, if any) sensitive to social risks, covering relevant transmission channels	Chapter 5.18.4.1
j)	Activities, commitments and exposures contributing to mitigating social risks	Chapter 5.18.4.3
k)	Implementation of tools to identify, measure and manage social risks	Chapter 5.18.4.2
l)	Description of the limits set on social risks and cases triggering the involvement of higher levels and exclusion from the portfolio in case of breaches	Chapter 5.18.4.3
m)	Description of the link (transmission channels) between social risks and credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the context of risk management	Chapter 5.18.1

5.18.5.3 Qualitative information on governance risk

Governance		Corresponding chapter
a)	Integration by the institution, in its governance arrangements, of the counterparty's governance performance, including at the level of the committees of the latter's highest governance body and its committees responsible for decisions on economic, environmental and social issues	Chapter 5.18.2.3
b)	Consideration by the institution of the role of the counterparty's highest governance body in the publication of non-financial information	Chapters 5.18.2 and 5.18.4.4
c)	Integration by the institution, in the governance arrangements, of the performance of its counterparties in terms of governance, in particular: i) Ethical considerations ii) Strategy and risk management iii) Inclusiveness iv) Transparency v) Management of conflicts of interest vi) Internal communication on critical concerns	Chapters 5.18.2 and 5.18.4.2
Risk management		
d)	Integration by the institution, in its risk management systems, of the performance of its counterparties in terms of governance, in particular: i) Ethical considerations ii) Strategy and risk management iii) Inclusiveness iv) Transparency v) Management of conflicts of interest vi) Internal communication on critical concerns	Chapter 5.18.4.2

5.18.6 Quantitative information on climate and environmental risks

5.18.6.1 Indicators of transition risk potentially linked to climate change

5.18.6.1.1 Model 1: Credit quality of exposures by sector, issuance and residual maturity

TABLE 77 - MODEL 1: BANKING BOOK - INDICATORS OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: CREDIT QUALITY OF EXPOSURES BY SECTOR, ISSUES AND RESIDUAL MATURITY

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/Sub-sector at 12/31/2023 *(in € millions)*		**Of which exposures to companies excluded from the Union's "Paris Agreement" benchmarks in accordance with Article 12 (1) (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818**	**Of which environmentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non-performing exposures**
1 - Exposures to sectors that contribute significantly to climate change[1]	**168,192**	**695**	**425**	**10,859**	**5,628**
2 – A – Agriculture, forestry and fishing	9,256	0	1	587	297
3 – B – Extractive industries	596	198	2	15	17
4 – B.05 – Coal and lignite extraction	*0*	*0*	*0*	*0*	*0*
5 – B.06 – Extraction of hydrocarbons	*101*	*80*	*0*	*0*	*0*
6 – B.07 – Extraction of metal ores	*1*	*0*	*0*	*0*	*0*
7 – B.08 – Other extractive industries	*363*	*118*	*2*	*15*	*16*
8 – B.09 – Support services to extractive industries	*131*	*0*	*0*	*0*	*0*
9 – C – Manufacturing industry	17,620	83	60	1,229	886
10 – C.10 – Food industries	*2,708*	*0*	*0*	*216*	*172*
11 – C.11 – Manufacture of beverages	*1,048*	*0*	*0*	*23*	*20*
12 – C.12 – Manufacture of tobacco products	*0*	*0*	*0*	*0*	*0*
13 – C.13 – Manufacture of textiles	*207*	*0*	*0*	*10*	*18*
14 – C.14 – Clothing industry	*159*	*0*	*0*	*14*	*28*
15 – C.15 – Leather and footwear industry	*162*	*0*	*0*	*5*	*15*
16 – C.16 – Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	*557*	*0*	*0*	*29*	*29*
17 – C.17 – Paper and cardboard industry	*284*	*0*	*0*	*11*	*15*
18 – C.18 – Printing and reproduction of recordings	*355*	*0*	*0*	*27*	*28*
19 – C.19 – Coking and refining	*69*	*47*	*0*	*0*	*0*
20 – C.20 – Chemical industry	*1,191*	*4*	*0*	*41*	*13*
21 – C.21 – Pharmaceutical industry	*471*	*0*	*0*	*51*	*6*
22 – C.22 – Manufacture of rubber products	*834*	*2*	*0*	*25*	*44*
23 – C.23 – Manufacture of other non-metallic mineral products	*714*	*0*	*5*	*30*	*31*
24 – C.24 – Metallurgy	*319*	*0*	*1*	*5*	*17*
25 – C.25 – Manufacture of fabricated metal products, except machinery and equipment	*1,650*	*0*	*1*	*108*	*138*
26 – C.26 – Manufacture of computer, electronic and optical products	*741*	*0*	*0*	*17*	*18*
27 – C.27 – Manufacture of electrical equipment	*420*	*30*	*5*	*17*	*14*
28 – C.28 – Manufacture of machinery and equipment n.e.c.	*1,257*	*0*	*9*	*52*	*37*
29 – C.29 – Motor industry	*781*	*0*	*10*	*15*	*48*
30 – C.30 – Manufacture of other transportation equipment	*645*	*0*	*27*	*8*	*71*
31 – C.31 – Manufacture of furniture	*241*	*0*	*0*	*16*	*35*

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*							
	Of which stage 2 exposures	Of which non-performing exposures		GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*	GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-2,971	**-461**	**-2,158**	**-**	**-**	**-**	**66,315**	**34,261**	**55,174**	**12,441**	**8.6**
-165	-22	-131	-	-	-	3,620	2,862	2,433	340	7.7
-8	0	-4	-	-	-	357	194	35	10	5.8
0	*0*	*0*	-	-	-	*0*	*0*	*0*	*0*	*1.6*
0	*0*	*0*	-	-	-	*75*	*20*	*6*	*0*	*5.5*
0	*0*	*0*	-	-	-	*1*	*0*	*0*	*0*	*2.7*
-7	*0*	*-4*	-	-	-	*203*	*122*	*29*	*10*	*6.3*
0	*0*	*0*	-	-	-	*79*	*52*	*0*	*0*	*4.7*
-432	-46	-340	-	-	-	13,458	2,465	818	878	3.9
-112	*-11*	*-93*	-	-	-	*1,821*	*559*	*192*	*136*	*4.8*
-10	*-1*	*-7*	-	-	-	*880*	*106*	*35*	*28*	*3.0*
0	*0*	*0*	-	-	-	*0*	*0*	*0*	*0*	*3.3*
-6	*0*	*-5*	-	-	-	*127*	*34*	*32*	*15*	*6.3*
-15	*0*	*-14*	-	-	-	*86*	*12*	*29*	*33*	*8.9*
-3	*0*	*-3*	-	-	-	*96*	*40*	*20*	*6*	*4.8*
-17	*-1*	*-15*	-	-	-	*313*	*138*	*41*	*65*	*6.4*
-7	*0*	*-6*	-	-	-	*198*	*63*	*12*	*10*	*4.1*
-13	*-1*	*-11*	-	-	-	*236*	*61*	*28*	*31*	*6.0*
0	*0*	*0*	-	-	-	*20*	*49*	*0*	*0*	*4.9*
-11	*-4*	*-6*	-	-	-	*939*	*178*	*25*	*48*	*3.0*
-9	*-6*	*-1*	-	-	-	*393*	*47*	*11*	*20*	*2.9*
-20	*-1*	*-17*	-	-	-	*631*	*160*	*22*	*21*	*3.6*
-18	*-5*	*-11*	-	-	-	*509*	*124*	*35*	*46*	*4.3*
-6	*0*	*-6*	-	-	-	*235*	*61*	*8*	*16*	*3.6*
-54	*-5*	*-45*	-	-	-	*1,275*	*266*	*50*	*60*	*4.1*
-9	*0*	*-8*	-	-	-	*600*	*47*	*24*	*70*	*3.8*
-4	*-1*	*-2*	-	-	-	*367*	*27*	*14*	*11*	*2.5*
-19	*-1*	*-16*	-	-	-	*971*	*154*	*23*	*108*	*3.9*
-14	*0*	*-13*	-	-	-	*676*	*77*	*8*	*20*	*2.3*
-23	*0*	*-21*	-	-	-	*565*	*20*	*46*	*14*	*2.4*
-11	*0*	*-10*	-	-	-	*141*	*52*	*31*	*17*	*6.1*

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/Sub-sector at 12/31/2023 *(in € millions)*		**Of which exposures to companies excluded from the Union's "Paris Agreement" benchmarks in accordance with Article 12 (1) (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818**	**Of which environ-mentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non-performing exposures**
32 – C.32 – Other manufacturing industries	1,981	0	0	440	51
33 – C.33 – Repair and installation of machinery and equipment	*824*	*0*	*1*	*68*	*39*
34 – D – Production and distribution of electricity, gas, steam and air conditioning	3,260	312	50	85	51
35 – D35.1 – Production, transmission and distribution of electricity	*2,705*	*259*	*47*	*67*	*50*
36 – D35.11 – Electricity production	*2,365*	*182*	*3*	*67*	*49*
37 – D35.2 – Manufacture of gas; distribution by pipeline of gaseous fuels	*510*	*53*	*0*	*17*	*1*
38 – D35.3 – Production and distribution of steam and air conditioning	*46*	*0*	*3*	*1*	*0*
39 – E – Water production and distribution; sanitation, waste management and decontamination	1,229	0	32	39	29
40 – F – Building and public works services	13,246	25	135	1,243	817
41 – F.41 – Construction of buildings	*4,336*	*0*	*72*	*401*	*333*
42 – F.42 – Civil engineering	*1,454*	*25*	*41*	*32*	*26*
43 – F.43 – Specialized construction work	*7,456*	*0*	*22*	*810*	*458*
44 – G – Wholesale and retail trade; automotive and motorcycle repair	22,268	16	10	1,533	1,166
45 – H – Transportation and warehousing	9,738	60	23	494	222
46 – H.49 – Land transportation and transportation via pipelines	*4,757*	*1*	*1*	*312*	*132*
47 – H.50 – Water transportation	*1,443*	*49*	*11*	*14*	*39*
48 – H.51 – Air transportation	*1,554*	*0*	*2*	*116*	*20*
49 – H.52 – Warehousing and support activities for transportation	*1,885*	*10*	*9*	*46*	*28*
50 – H.53 – Postal and courier activities	*99*	*0*	*0*	*6*	*3*
51 – I – Hospitality and catering	6,207	0	3	729	569
52 – L – Real estate activities	84,770	0	110	4,904	1,574
53 – Exposures to sectors other than those contributing significantly to climate change[1]	**97,569**	**27**	**297**	**7,205**	**3,063**
54 – K – Financial and insurance activities	16,386	6	41	738	562
55 – Exposures to other sectors (NACE codes J, M to U)	81,183	21	256	6,467	2,500
56 – TOTAL	**265,761**	**722**	**722**	**18,064**	**8,691**

(1) According to Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 with minimum standards for the Union Climate Transition Benchmarks and the Union Paris Agreement Benchmarks – Climate Benchmarks Regulation – Recital 6: the sectors listed in Annex I, Sections A to H and Section L of Regulation (EC) No. 1893/2006.

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*							
	Of which stage 2 exposures	Of which non-performing exposures		GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*	GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-35	6	-15	-	-	-	1,733	109	73	66	2.8
-16	*-1*	*-12*	-	-	-	*645*	*83*	*59*	*37*	*4.4*
-29	-5	-17	-	-	-	1,027	655	1,390	189	8.7
-27	*-4*	*-17*	-	-	-	*786*	*569*	*1,165*	*185*	*9.1*
-26	*-4*	*-17*	-	-	-	*561*	*507*	*1,157*	*139*	*9.7*
-2	*0*	*0*	-	-	-	*212*	*81*	*214*	*3*	*6.9*
0	*0*	*0*	-	-	-	*29*	*5*	*12*	*0*	*4.1*
-19	-2	-14	-	-	-	782	246	167	34	5.3
-412	-42	-326	-	-	-	7,841	1,450	2,065	1,890	7.5
-166	*-11*	*-150*	-	-	-	*2,482*	*322*	*556*	*976*	*7.6*
-31	*-1*	*-14*	-	-	-	*852*	*332*	*177*	*92*	*8.8*
-216	*-30*	*-163*	-	-	-	*4,507*	*796*	*1,332*	*822*	*7.2*
-673	-59	-559	-	-	-	14,450	3,720	1,892	2,207	5.9
-116	-15	-75	-	-	-	6,426	1,968	974	371	5.1
-73	*-10*	*-48*	-	-	-	*3,458*	*798*	*300*	*201*	*4.7*
-11	*-1*	*-6*	-	-	-	*967*	*354*	*113*	*9*	*5.3*
-7	*-1*	*-4*	-	-	-	*790*	*487*	*275*	*2*	*4.1*
-23	*-2*	*-15*	-	-	-	*1,152*	*308*	*277*	*149*	*6.7*
-3	*0*	*-2*	-	-	-	*60*	*21*	*9*	*10*	*6.1*
-272	-39	-206	-	-	-	2,852	1,788	1,252	315	7.1
-845	-231	-486	-	-	-	15,503	18,913	44,147	6,206	11.1
-1,745	**-297**	**-1,308**	**-**	**-**	**-**	**42,522**	**16,497**	**22,091**	**16,459**	**9.0**
-346	-36	-269	-	-	-	9,304	3,707	1,509	1,866	4.3
-1,399	-262	-1,019	-	-	-	33,218	12,790	20,581	14,593	10.0
-4,716	**-759**	**-3,446**	**-**	**-**	**-**	**108,837**	**50,758**	**77,265**	**28,900**	**8.8**

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/sub-sector at 12/31/2022 *(in € millions)*		**Of which exposures to companies excluded from the Union's "Paris Agreement" benchmarks in accordance with Article 12 (1) (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818**	**Of which environ-mentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non-performing exposures**
1 - Exposures to sectors that contribute significantly to climate change[1]	**164,147**	**908**	**-**	**11,124**	**5,031**
2 – A – Agriculture, forestry and fishing	8,876	0	-	645	306
3 – B – Extractive industries	561	179	-	10	2
4 – B.05 – Coal and lignite extraction	*1*	*0*	-	*0*	*0*
5 – B.06 – Extraction of hydrocarbons	*100*	*89*	-	*0*	*0*
6 – B.07 – Extraction of metal ores	*4*	*0*	-	*0*	*0*
7 – B.08 – Other extractive industries	*213*	*0*	-	*10*	*2*
8 – B.09 – Support services to extractive industries	*244*	*90*	-	*0*	*0*
9 – C – Manufacturing industry	18,919	229	-	824	839
10 – C.10 – Food industries	*2,257*	*0*	-	*198*	*123*
11 – C.11 – Manufacture of beverages	*422*	*0*	-	*34*	*11*
12 – C.12 – Manufacture of tobacco products	*20*	*0*	-	*0*	*0*
13 – C.13 – Manufacture of textiles	*159*	*0*	-	*18*	*6*
14 – C.14 – Clothing industry	*168*	*0*	-	*19*	*26*
15 – C.15 – Leather and footwear industry	*112*	*0*	-	*5*	*11*
16 – C.16 – Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	*413*	*0*	-	*25*	*20*
17 – C.17 – Paper and cardboard industry	*213*	*0*	-	*10*	*8*
18 – C.18 – Printing and reproduction of recordings	*318*	*0*	-	*19*	*23*
19 – C.19 – Coking and refining	*242*	*209*	-	*0*	*0*
20 – C.20 – Chemical industry	*938*	*0*	-	*42*	*11*
21 – C.21 – Pharmaceutical industry	*327*	*0*	-	*5*	*4*
22 – C.22 – Manufacture of rubber products	*699*	*0*	-	*35*	*13*
23 – C.23 – Manufacture of other non-metallic mineral products	*623*	*0*	-	*18*	*14*
24 – C.24 – Metallurgy	*209*	*0*	-	*10*	*13*
25 – C.25 – Manufacture of fabricated metal products, except machinery and equipment	*1,311*	*1*	-	*101*	*84*
26 – C.26 – Manufacture of computer, electronic and optical products	*481*	*0*	-	*20*	*16*
27 – C.27 – Manufacture of electrical equipment	*311*	*19*	-	*14*	*12*
28 – C.28 – Manufacture of machinery and equipment n.e.c.	*887*	*0*	-	*30*	*44*
29 – C.29 – Motor industry	*861*	*0*	-	*19*	*24*
30 – C.30 – Manufacture of other transportation equipment	*283*	*0*	-	*65*	*23*
31 – C.31 – Manufacture of furniture	*188*	*0*	-	*19*	*14*

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*							
	Of which stage 2 exposures	Of which non-performing exposures		GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*	GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-2,849	**-530**	**-1,992**	**-**	**-**	**-**	**54,309**	**55,351**	**46,177**	**8,310**	**8.9**
-186	-36	-132	-	-	-	2,669	3,873	2,051	284	7.9
-2	0	-1	-	-	-	217	318	18	9	5.5
0	0	0	-	-	-	1	0	0	0	0.4
0	0	0	-	-	-	33	62	5	0	6.9
0	0	0	-	-	-	3	0	0	0	3.2
-2	0	-1	-	-	-	118	74	13	8	5.6
0	0	0	-	-	-	61	181	0	1	5.8
-378	-31	-306	-	-	-	10,490	6,818	663	949	5.0
-106	-12	-88	-	-	-	1,201	544	153	359	7.1
-8	-1	-6	-	-	-	293	78	33	18	5.2
0	0	0	-	-	-	20	0	0	0	2.1
-5	-1	-4	-	-	-	85	30	30	14	7.1
-17	0	-17	-	-	-	106	10	22	30	8.9
-3	0	-2	-	-	-	79	14	13	5	5.2
-16	-1	-13	-	-	-	250	75	43	45	6.5
-7	0	-6	-	-	-	158	30	8	17	3.7
-13	-1	-11	-	-	-	190	76	25	27	6.3
0	0	0	-	-	-	180	62	0	0	1.8
-8	-1	-4	-	-	-	759	135	13	30	3.7
-2	0	0	-	-	-	267	50	1	9	3.9
-11	-1	-7	-	-	-	530	128	20	22	4.3
-11	-1	-8	-	-	-	456	86	28	54	5.7
-7	0	-6	-	-	-	165	32	3	9	3.9
-55	-4	-46	-	-	-	978	223	57	53	4.4
-7	0	-6	-	-	-	434	34	6	7	4.4
-4	-1	-2	-	-	-	247	31	13	20	4.6
-20	-1	-17	-	-	-	651	130	12	93	5.5
-12	-1	-10	-	-	-	783	59	6	13	1.9
-22	-2	-19	-	-	-	202	22	48	10	5.0
-8	-1	-7	-	-	-	87	59	26	16	7.1

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/sub-sector at 12/31/2022 *(in € millions)*		Of which exposures to companies excluded from the Union's "Paris Agreement" benchmarks in accordance with Article 12 (1) (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which environ-mentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures
32 – C.32 – Other manufacturing industries	6,903	0	-	74	310
33 – C.33 – Repair and installation of machinery and equipment	*574*	*0*	-	*43*	*29*
34 – D – Production and distribution of electricity, gas, steam and air conditioning	3,015	427	-	92	45
35 – D35.1 – Production, transmission and distribution of electricity	*2,224*	*345*	-	*91*	*42*
36 – D35.11 – Electricity production	*2,046*	*345*	-	*90*	*42*
37 – D35.2 – Manufacture of gas; distribution by pipeline of gaseous fuels	*762*	*82*	-	*1*	*3*
38 – D35.3 – Production and distribution of steam and air conditioning	*29*	*0*	-	*1*	*0*
39 – E – Water production and distribution; sanitation, waste management and decontamination	1,085	0	-	41	24
40 – F – Building and public works services	13,880	25	-	1,080	600
41 – F.41 – Construction of buildings	*3,682*	*0*	-	*275*	*154*
42 – F.42 – Civil engineering	*4,077*	*25*	-	*32*	*128*
43 – F.43 – Specialized construction work	*6,120*	*0*	-	*772*	*319*
44 – G – Wholesale and retail trade; automotive and motorcycle repair	22,603	12	-	1,438	1,098
45 – H – Transportation and warehousing	8,949	36	-	603	265
46 – H.49 – Land transportation and transportation via pipelines	*3,700*	*0*	-	*305*	*103*
47 – H.50 – Water transportation	*1,293*	*25*	-	*122*	*25*
48 – H.51 – Air transportation	*1,229*	*0*	-	*120*	*44*
49 – H.52 – Warehousing and support activities for transportation	*2,550*	*11*	-	*50*	*91*
50 – H.53 – Postal and courier activities	*177*	*0*	-	*5*	*2*
51 – I – Hospitality and catering	6,231	0	-	876	513
52 – L – Real estate activities	80,028	0	-	5,515	1,338
53 – Exposures to sectors other than those contributing significantly to climate change[1]	**94,002**	**23**	**-**	**10,075**	**2,394**
54 – K – Financial and insurance activities	14,659	0	-	871	338
55 – Exposures to other sectors (NACE codes J, M to U)	79,343	23	-	9,204	2,055
56 – TOTAL	**258,149**	**931**	**-**	**21,199**	**7,424**

(1) According to Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 with minimum standards for the Union Climate Transition Benchmarks and the Union Paris Agreement Benchmarks – Climate Benchmarks Regulation – Recital 6: the sectors listed in Annex I, Sections A to H and Section L of Regulation (EC) No. 1893/2006.

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*							
	Of which stage 2 exposures	Of which non-performing exposures		GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*	GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-24	-2	-14	-	-	-	1,922	4,860	52	68	6.6
-15	*-1*	*-12*	-	-	-	*447*	*49*	*51*	*26*	*5.6*
-29	-7	-16	-	-	-	759	883	1,173	200	9.1
-27	*-7*	*-16*	-	-	-	*494*	*534*	*999*	*197*	*8.6*
-27	*-7*	*-16*	-	-	-	*414*	*469*	*994*	*170*	*9.3*
-2	*0*	*0*	-	-	-	*255*	*346*	*158*	*3*	*9.3*
0	*0*	*0*	-	-	-	*9*	*4*	*16*	*0*	*8.2*
-16	-2	-12	-	-	-	475	427	154	29	5.9
-346	-41	-261	-	-	-	6,916	3,710	1,764	1,489	7.7
-124	*-10*	*-104*	-	-	-	*2,206*	*289*	*519*	*668*	*8.7*
-31	*-1*	*-12*	-	-	-	*1,106*	*2,726*	*108*	*138*	*5.5*
-191	*-30*	*-145*	-	-	-	*3,605*	*696*	*1,137*	*683*	*7.6*
-642	-61	-525	-	-	-	11,237	8,127	1,622	1,616	6.1
-122	-26	-72	-	-	-	5,242	2,779	714	215	6.1
-71	*-15*	*-44*	-	-	-	*2,604*	*695*	*276*	*124*	*4.9*
-14	*-4*	*-5*	-	-	-	*901*	*301*	*89*	*2*	*5.5*
-7	*-3*	*-4*	-	-	-	*671*	*375*	*182*	*1*	*5.3*
-28	*-4*	*-18*	-	-	-	*923*	*1,388*	*160*	*79*	*6.5*
-2	*0*	*-1*	-	-	-	*143*	*20*	*6*	*7*	*3.3*
-254	-45	-190	-	-	-	2,764	2,345	933	188	6.8
-877	-280	-478	-	-	-	13,540	26,071	37,086	3,332	11.2
-1,491	**-337**	**-967**	**-**	**-**	**-**	**30,055**	**30,931**	**19,076**	**13,940**	**1.5**
-264	-36	-180	-	-	-	6,286	6,042	1,471	860	6.3
-1,227	-301	-787	-	-	-	23,769	24,888	17,605	13,081	1.3
-4,340	**-867**	**-2,959**	**-**	**-**	**-**	**84,364**	**86,281**	**65,253**	**22,251**	**4.0**

Exposures to companies excluded from the benchmark indices of the Paris Agreement

To identify the counterparties excluded from the "Paris Agreement" benchmark indices, Crédit Mutuel Alliance Fédérale has chosen to rely on the data provided by the NGO Urgewald, which compiles and feeds into two separate lists: the Global Coal Exit List (GCEL) and the Global Oil & Gas Exit List (GOGEL).

On the basis of these lists, Crédit Mutuel Alliance Fédérale identifies companies excluded from the "Paris Agreement" benchmark indices and which generate part of their revenue from coal (GCEL) and oil and gas activities (GOGEL).

For companies that derive at least 50% of their revenues from electricity production activities with a greenhouse gas emission intensity greater than 100g CO_2e/kWh, exposures under NACE code D35.11 Electricity production were analyzed to determine the sources of energy produced. Companies producing electricity from carbon sources (other than renewable energy or nuclear energy) are considered excluded from the Paris Agreement benchmark indices.

Crédit Mutuel Alliance Fédérale considers that it has no reliable information on which to identify exposures that would harm one of the environmental objectives of the Taxonomy Regulations. As a result, this point could not be included in the analysis as of December 31, 2023.

Environmentally sustainable exposures

In order to identify the companies aligned with the climate change mitigation objective of the taxonomy, Crédit Mutuel Alliance Fédérale relied on the information published by its counterparties in their universal registration document as of December 31, 2022, within which the aligned share of their revenue was published.

Greenhouse gas emissions financed

Projects to collect data and calculate greenhouse gas emissions (scopes 1 to 3) are underway within the institution. In accordance with regulatory requirements, Crédit Mutuel Alliance Fédérale will begin to disclose this information no later than June 30, 2024.

5.18.6.1.2 Model 2: Loans secured by real estate property – Energy efficiency of the collateral

TABLE 78 - MODEL 2: BANKING BOOK – INDICATORS OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: LOANS SECURED BY REAL ESTATE PROPERTY ASSETS – ENERGY EFFICIENCY OF COLLATERAL

	a	b	c	d	e	f	g
	Total gross carrying amount *(in € millions)*						
		Energy efficiency level *(energy performance in kWh/m² of collateral)*					
Counterparty sector at 12/31/2023 *(in € millions)*		**0; <= 100**	**> 100; <= 200**	**> 200; <= 300**	**> 300; <= 400**	**> 400; <= 500**	**> 500**
1 – EU total	**227,703**	**33,242**	**62,430**	**66,970**	**32,581**	**16,098**	**14,633**
2 – Of which secured by commercial real estate property	40,626	6,651	8,508	10,728	6,660	3,464	3,393
3 – Of which secured by residential real estate property	187,061	26,591	53,921	56,243	25,921	12,633	11,240
4 – Of which collateral obtained by seizure: residential and commercial real estate property	16	0	0	0	0	0	0
5 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	172,687	23,517	51,095	53,583	24,469	9,224	10,799
6 – Non-EU total	**6,580**	**139**	**197**	**239**	**172**	**65**	**74**
7 – Of which secured by commercial real estate property	2,984	14	67	67	55	8	10
8 – Of which secured by residential real estate property	3,596	125	130	172	117	57	64
9 – Of which collateral obtained by seizure: residential and commercial real estate property	0	0	0	0	0	0	0
10 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	884	139	196	238	172	65	74

h	i	j	k	l	m	n	o	p
Total gross carrying amount *(in € millions)*								
Energy efficiency level (label of the energy performance certificate of collateral)							Without the collateral energy performance certificate label	
A	B	C	D	E	F	G		Of which estimated energy efficiency level *(energy performance in kWh/m² of collateral)*
4,089	**6,874**	**17,657**	**38,165**	**23,078**	**10,652**	**9,137**	**118,051**	**99%**
569	592	886	1,737	1,499	872	1,176	33,296	96%
3,520	6,282	16,771	36,428	21,579	9,780	7,961	84,739	99%
0	0	0	0	0	0	0	16	0%
-	-	-	-	-	-	-	111,979	100%
0	**0**	**0**	**0**	**0**	**0**	**0**	**6,579**	**13%**
0	0	0	0	0	0	0	2,984	7%
0	0	0	0	0	0	0	3,596	18%
0	0	0	0	0	0	0	0	0%
-	-	-	-	-	-	-	884	100%

	a	b	c	d	e	f	g
	Total gross carrying amount *(in € millions)*						
		Energy efficiency level *(energy performance in kWh/m² of collateral)*					
Counterparty sector at 12/31/2022 *(in € millions)*		**0; <= 100**	**> 100; <= 200**	**> 200; <= 300**	**> 300; <= 400**	**> 400; <= 500**	**> 500**
1 – EU total	**218,664**	**11,246**	**110,241**	**49,524**	**20,736**	**1,967**	**12,800**
2 – Of which secured by commercial real estate property	38,415	1,709	18,782	8,412	3,963	239	2,751
3 – Of which secured by residential real estate property	180,231	9,537	91,459	41,113	16,773	1,727	10,049
4 – Of which collateral obtained by seizure: residential and commercial real estate property	18	0	0	0	0	0	0
5 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	170,452	8,096	97,695	37,732	15,724	43	11,163
6 – Non-EU total	**6,101**	**0**	**0**	**0**	**0**	**0**	**0**
7 – Of which secured by commercial real estate property	2,650	0	0	0	0	0	0
8 – Of which secured by residential real estate property	3,451	0	0	0	0	0	0
9 – Of which collateral obtained by seizure: residential and commercial real estate property	0	0	0	0	0	0	0
10 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	0	0	0	0	0	0	0

h	i	j	k	l	m	n	o	p
Total gross carrying amount *(in € millions)*								
Energy efficiency level (label of the energy performance certificate of collateral)							**Without the collateral energy performance certificate label**	
A	**B**	**C**	**D**	**E**	**F**	**G**		**Of which estimated energy efficiency level** ***(energy performance in kWh/m² of collateral)***
1,610	**3,052**	**15,357**	**33,457**	**19,157**	**7,073**	**5,582**	**133,376**	**90%**
112	137	785	1,527	1,200	531	648	33,474	92%
1,498	2,916	14,572	31,930	17,956	6,542	4,934	99,883	89%
0	0	0	0	0	0	0	18	0%
-	-	-	-	-	-	-	120,048	100%
0	**0**	**0**	**0**	**0**	**0**	**0**	**6,100**	**0%**
0	0	0	0	0	0	0	2,650	0%
0	0	0	0	0	0	0	3,450	0%
0	0	0	0	0	0	0	0	0%
-	-	-	-	-	-	-	0	0%

As of December 31, 2023, energy performance assessments (DPEs) were not systematically collected for loans secured by residential real estate property, for loans secured by commercial real estate property and for collateral obtained by taking possession. This data collection was supplemented by the French Ecological Transition Agency (ADEME) database, which records the DPEs carried out by diagnostic experts in France.

For the exhibitions for which only the DPE label was collected, Crédit Mutuel Alliance Fédérale has established a correspondence scale in order to determine the associated energy consumption level, based on the consumption scales per label, or on the average consumption observed on the properties for which the data is complete (DPE label + energy consumption expressed in kWh/m^2). For exposures for which no DPE data is available, Crédit Mutuel Alliance Fédérale has carried out internal calculations to estimate the level of energy consumption (in kWh/m^2). These calculations are based on an extrapolation to apply the distribution obtained on exposures without ECD data, distinguishing between loans secured by residential real estate property and loans secured by commercial real estate property.

5.18.6.1.3 Model 3: Alignment parameters

Crédit Mutuel Alliance Fédérale has not yet set alignment targets for all the target sectors in this table and in line with the Net Zero Emissions scenario of the International Energy Agency.

However, in 2022, a first set of targets was published for the hydrocarbon and electricity production sectors. Details of these objectives are published on the Crédit Mutuel website.

In addition, projects to test alignment methodologies and data collection are underway within the group and various estimation methodologies are being studied.

In accordance with regulatory requirements, Crédit Mutuel Alliance Fédérale will begin to disclose this information no later than June 30, 2024.

5

5.18.6.1.4 Model 4: Exposures on top 20 carbon-intensive companies

TABLE 79 - MODEL 4: BANKING BOOK – INDICATOR OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: EXPOSURES ON THE 20 LARGEST CARBON-INTENSIVE COMPANIES

At 12/31/2023 *(in € millions)*

a	b	c	d	e
Gross carrying amount (aggregate)	Gross carrying amount of counterparty exposure to total gross carrying amount (aggregate)[1]	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of companies in the top 20 polluting companies included
153	0.02%	1	2	3

(1) *For counterparties among the 20 companies that emit the most carbon in the world.*

At 12/31/2022 *(in € millions)*

a	b	d	e
Gross carrying amount (aggregate)	Gross carrying amount of counterparty exposure to total gross carrying amount(aggregate)[1]	Weighted average maturity	Number of companies in the top 20 polluting companies included
310	0.04%	2.4	2

(1) *For counterparties among the 20 companies that emit the most carbon in the world.*

In order to identify the 20 companies with the highest carbon intensity, Crédit Mutuel Alliance Fédérale relies on the Carbon Majors list drawn up by the Climate Accountability Institute, published in 2020 on the basis of data for the 2018 fiscal year (latest data available). This public list includes the emissions estimated by this initiative on scopes 1, 2 and 3.

In order to identify exposures considered environmentally sustainable, Crédit Mutuel Alliance Fédérale relied on the information published by the top 20 counterparties concerned in their non-financial performance statements.

5.18.6.2 Physical risk indicators potentially related to climate change

5.18.6.2.1 Model 5: Exposures subject to physical risk

TABLE 80 - MODEL 5: BANKING BOOK – INDICATORS OF PHYSICAL RISK POTENTIALLY LINKED TO CLIMATE CHANGE: EXPOSURES SUBJECT TO PHYSICAL RISK

a	b	c	d	e	f	g
	Gross carrying amount *(in € millions)*					
		of which exposures sensitive to the effects of physical events related to climate change				
		Breakdown by maturity tranche				
Variable: Geographic area subject to a physical risk related to climate change – acute and chronic events at 12/31/2023		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
1 – A – Agriculture, forestry and fishing	9,256	195	124	134	27	8.2
2 – B – Extractive industries	596	16	2	2	0	4.1
3 – C – Manufacturing industry	17,620	610	200	75	39	5.1
4 – D – Production and distribution of electricity, gas, steam and air conditioning	3,260	28	16	26	0	7.8
5 – E – Water production and distribution; sanitation, waste management and decontamination	1,229	28	6	2	1	4.4
6 – F – Building and public works services	13,246	515	85	215	189	8.8
7 – G – Wholesale and retail trade; automotive and motorcycle repair	22,268	777	332	154	182	6.9
8 – H – Transportation and warehousing	9,738	201	58	35	10	5.7
9 – L – Real estate activities	84,770	673	1,151	3,294	269	11.8
10 – Of which secured by residential real estate property	190,657	1,030	3,022	12,052	6,803	16.0
11 – Of which secured by commercial real estate property	43,610	395	747	1,641	61	10.6
12 – Collateral seized	16	0	0	0	0	0.0
13 – Other relevant sectors (breakdown below, if applicable)	0	0	0	0	0	0.0

h	i	j	k	l	m	n	o
Gross carrying amount *(in € millions)*							
of which exposures sensitive to the effects of physical events related to climate change							
of which exposures sensitive to the effects of chronic climate change events	of which exposures sensitive to the effects of acute climate change events	of which exposures sensitive to the effects of both chronic and acute climate change events	of which stage 2 exposures	of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	of which stage 2 exposures	of which non-performing exposures
297	182	0	38	17	-9	-1	-8
17	3	0	1	0	0	0	0
680	245	0	65	51	-26	-2	-24
21	49	0	2	0	0	0	0
19	18	0	3	1	-1	0	0
734	271	0	113	50	-20	-2	-17
881	563	0	98	69	-29	-3	-26
180	124	0	27	18	-5	-1	-4
4,012	1,375	0	318	79	-35	-7	-28
18,866	4,040	0	1,382	176	-61	-7	-54
2,068	776	0	164	62	-25	-4	20
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

a	b	c	d	e	f	g
	Gross carrying amount *(in € millions)*					
		of which exposures sensitive to the effects of physical events related to climate change				
		Breakdown by maturity tranche				
Variable: Geographic area subject to a physical risk related to climate change – acute and chronic events at 12/31/2022		**≤ 5 years**	**> 5 years ≤ 10 years**	**> 10 years ≤ 20 years**	**> 20 years**	**Weighted average maturity**
1 – A – Agriculture, forestry and fishing	8,876	144	108	124	27	8.7
2 – B – Extractive industries	561	12	3	2	0	5.2
3 – C – Manufacturing industry	18,919	587	153	63	60	5.4
4 – D – Production and distribution of electricity, gas, steam and air conditioning	3,015	16	24	27	0	10.3
5 – E – Water production and distribution; sanitation, waste management and decontamination	1,085	16	8	2	1	5.5
6 – F – Building and public works services	13,880	415	71	183	150	9.2
7 – G – Wholesale and retail trade; automotive and motorcycle repair	22,603	609	266	141	109	7.0
8 – H – Transportation and warehousing	8,949	179	51	36	7	5.8
9 – L – Real estate activities	80,028	462	944	2,809	221	12.2
10 – Of which secured by residential real estate property	183,682	739	2,355	9,260	5,118	10.7
11 – Of which secured by commercial real estate property	41,065	317	621	1,360	30	16.1
12 – Collateral seized	18	0	0	0	0	0.0
13 – Other relevant sectors (breakdown below, if applicable)	0	0	0	0	0	0.0

h	i	j	k	l	m	n	o
Gross carrying amount *(in € millions)*							
of which exposures sensitive to the effects of physical events related to climate change							
					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
of which exposures sensitive to the effects of chronic climate change events	of which exposures sensitive to the effects of acute climate change events	of which exposures sensitive to the effects of both chronic and acute climate change events	of which stage 2 exposures	of which non-performing exposures		of which stage 2 exposures	of which non-performing exposures
272	131	0	39	17	-11	-2	-8
13	4	0	1	0	0	0	0
557	304	2	49	47	-34	-2	-30
33	34	0	2	0	0	0	0
17	10	0	3	0	-1	0	0
602	215	1	117	28	-24	-5	-17
717	405	3	81	46	-31	-4	-25
147	126	0	25	15	-7	-1	-5
3,340	1,075	20	365	79	-60	-20	-31
14,624	2,809	39	7,333	979	-78	-33	-38
1,718	600	10	198	54	-38	-11	-21
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Crédit Mutuel Alliance Fédérale has identified three chronic risks (rise in sea level, rise in temperature, variation in precipitation) and three acute risks (flood, drought, storm/hail/snow). The breakdown of outstandings is mainly carried out in mainland France, which represents 77% of Crédit Mutuel Alliance Fédérale's outstandings.

To date, the assessment of a counterparty's exposure to these risks is carried out at the level of its postal code. Postal codes are associated with physical risk levels ranging from 0 (very low risk) to 4 (very high risk).

This scale was constructed by applying the following methodological principles:

- use of historical data for acute risks;
- use of forward-looking data for chronic risks, aligned with the IPCC RCP 8.5 scenario;
- risk weighting to obtain consolidated acute and physical risk exposure scores.

Outstandings exposed to a level 4 are reported as "climate change sensitive" in Model 5.

5.18.6.3 Mitigation measures

5.18.6.3.1 Model 6: Summary of taxonomy-aligned key performance indicators

TABLE 81 - MODEL 6: SUMMARY OF KPIS OF TAXONOMY-ALIGNED EXPOSURES

	KPI			
12/31/2023 *(in € millions)*	Climate change mitigation	Climate change adaptation	Total (climate change mitigation + climate change adaptation)	% coverage (in relation to total assets)[1]
GAR Outstandings	5.0%	0.1%	5.1%	76.6%
GAR Flows	0.4%	0.0%	0.4%	100.0%

(1) % of assets covered by the KPI, compared to total banking assets.

Pursuant to European Commission Regulation (EU) 2020/852, Crédit Mutuel Alliance Fédérale publishes its balance sheet exposures to Taxonomy-aligned sectors.

Given the strategic importance of this issue, dedicated multidisciplinary workshops bringing together the risk and finance departments of the confederal and regional groups were conducted in 2023, with the following objectives:

- the appropriation of texts and calculation methodologies, in connection with the FINREP reports;
- the definition of common management rules between the regional groups, in particular with regard to the supporting documents to be taken into consideration to calculate the alignment of the portfolio;
- the identification of the eligibility and alignment ratios published by the counterparties concerned by the NFRD;
- the calculation of ratios (numerator and denominator) on the basis of 2023 data.

Crédit Mutuel Alliance Fédérale analyzed its exposures to determine the alignment of its portfolio with the European taxonomy. This alignment analysis was carried out according to several criteria, depending on the types of counterparties included in the numerator.

Household alignment

All transactions to finance the acquisition of real estate or the financing of real estate renovation work by households, as well as loans to finance the acquisition of a vehicle granted since January 1, 2022, have been considered fully eligible in accordance with Delegated Regulation (EU) 2021/2178 of July 6, 2021. To determine the alignment of these assets, Crédit Mutuel Alliance Fédérale relied on the information available in its information system for each category of eligible loans (loans secured by residential real estate, building renovation loans, vehicle loans).

Loans for building renovation and vehicle loans were neutralized and considered as non-aligned due to the lack of available information, particularly with regard to the DNSH (do no significant harm) criteria.

In order to determine the alignment of its loans secured by residential real estate, Crédit Mutuel Alliance Fédérale has classified its various exposures, according to the building's date of construction (or issue of the building permit), on the existing RT 2012 and RE 2020 standards, as well as on the DPE collected directly or from the *Agence de la transition énergétique* (ADEME). These data were supplemented by the analysis of physical risks carried out by Crédit Mutuel Alliance Fédérale on its portfolios. All loans exposed to physical climate risks were thus considered as not aligned with the taxonomy.

For new buildings, where the date of the building permit is not known, Crédit Mutuel Alliance Fédérale chose to evaluate the date of construction on the basis of the date of obtaining the loan secured by the real estate property, and thus deduce the maximum primary energy consumption to be respected for the real estate property to be aligned.

Crédit Mutuel Alliance Fédérale did not apply the minimum social guarantees to its household exposures, considering them unsuitable for households.

Business alignment

With regard to financing operations for financial and non-financial corporations, Crédit Mutuel Alliance Fédérale researched the eligibility and alignment published by its counterparties within their universal registration document, management report or non-financial performance statement, when the purpose of the financing is not known. The ratios published by its counterparties were used as a basis for weighting the outstandings relating to these companies. In the case of dedicated financing, the eligibility of the activity was considered according to the activity's NACE code, and bilateral exchanges were carried out to determine whether or not the various criteria leading to the activity's alignment had been met.

It should be noted that Crédit Mutuel Alliance Fédérale opted to use the ratio published by the parent company in the case of exposure to a subsidiary that does not publish information on the orientation of its own activity.

Alignment of local authorities

Local authorities are included in the numerator of the Green Asset Ratio as soon as the purpose of the financing is known. In the case of unallocated loans, the exposure is excluded from the scope of hedged assets and reclassified as sovereign exposure.

Of which collateral obtained by seizure: residential and commercial real estate property

The alignment of the collateral obtained was not calculated in the absence of convincing information to justify the alignment.

5.18.6.3.2 Model 7 - Assets used to calculate the Green asset ratio (GAR)

TABLE 82 – MODEL 7: ATTENUATION MEASURES: ASSETS USED TO CALCULATE GAR

	a	b	c	d	e	f
	Reference date of information 2023					
		Climate change mitigation (CCM)				
		Of which to sectors relevant for taxonomy (eligible for taxonomy)				
		Of which environmentally sustainable (aligned with taxonomy)				
12/31/2023 *(in € millions)*	Gross carrying amount			Of which specialized financing	Of which transitional	Of which enabling
GAR - ASSETS COVERED BY NUMERATOR AND DENOMINATOR						
1 – Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	296,247	198,302	31,170	0	14	443
2 – Non-financial corporations	**21,912**	**913**	**96**	**0**	**3**	**58**
3 – Credit institutions	9,735	57	0	0	0	0
4 – Loans and advances	4,188	7	0	0	0	0
5 – Debt securities, including specific use of proceeds (UoP)	5,546	50	0	0	0	0
6 – Equity instruments	0	0	0	-	0	0
7 – Other financial corporations	12, 177	856	96	0	3	58
8 – of which investment firms	4	0	0	0	0	0

g	h	i	j	k	l	m	n	o	p
Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)					Of which to sectors relevant for taxonomy (eligible for taxonomy)				
	Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)			
		Of which specialized financing	Of which adaptation	Of which enabling			Of which specialized financing	Of which adaptation	Of which enabling
1,004	468	0	0	468	199,306	31,638	0	14	911
981	**467**	**0**	**0**	**467**	**1,894**	**563**	**0**	**3**	**525**
0	0	0	0	0	57	0	0	0	0
0	0	0	0	0	7	0	0	0	0
0	0	0	0	0	50	0	0	0	0
0	0	-	0	0	0	0	-	0	0
981	467	0	0	467	1,836	563	0	3	525
0	0	0	0	0	0	0	0	0	0

	a	b	c	d	e	f
	Reference date of information 2023					
		Climate change mitigation (CCM)				
		Of which to sectors relevant for taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)			
12/31/2023 *(in € millions)*	Gross carrying amount			Of which specialized financing	Of which transitional	Of which enabling
9 – Loans and advances	4	0	0	0	0	0
10 – Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
11 – Equity instruments	0	0	0	-	0	0
12 – of which asset management companies	137	0	0	0	0	0
13 – Loans and advances	137	0	0	0	0	0
14 – Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
15 – Equity instruments	0	0	0	-	0	0
16 – of which insurance companies	8,962	699	87	0	3	49
17 – Loans and advances	23	0	0	0	0	0
18 – Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
19 – Equity instruments	8,940	699	87	-	3	49
20 – Non-financial corporations (subject to NFRD disclosure requirements)	**16,508**	**3,534**	**722**	**0**	**11**	**385**
21 – Loans and advances	16,314	3,534	722	0	11	385
22 – Debt securities, including specific use of proceeds (UoP)	179	0	0	0	0	0
23 – Equity instruments	14	0	0	-	0	0
24 – Households	**251,471**	**193,779**	**30,352**	**0**	**0**	**0**
25 – of which secured by residential real estate property	190,657	190,657	30,352	0	0	0
26 – of which loans for building renovation	1,426	1,426	0	0	0	0
27 – of which motor vehicle loans	4,714	1,696	0	0	0	0
28 – Financing of local governments	6,340	76	0	0	0	0
29 - Residential financing	76	76	0	0	0	0
30 – Other local government financing	6,264	0	0	0	0	0
31 – Collateral obtained by seizure: residential and commercial real estate property	16	0	0	0	0	0
32 - TOTAL GAR ASSETS	**296,247**	**198,302**	**31,170**	**0**	**14**	**443**

g	h	i	j	k	l	m	n	o	p
Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)					Of which to sectors relevant for taxonomy (eligible for taxonomy)				
	Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)			
		Of which specialized financing	Of which adaptation	Of which enabling			Of which specialized financing	Of which adaptation	Of which enabling
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	0	-	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	0	-	0	0
981	467	0	0	467	1,680	554	0	3	516
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
981	467	-	0	467	1,680	554	-	3	516
23	**1**	**0**	**0**	**1**	**3,557**	**723**	**0**	**11**	**386**
23	1	0	0	1	3,557	723	0	11	386
0	0	0	0	0	0	0	0	0	0
0	0	-	0	0	0	0	-	0	0
-	**-**	**-**	**-**	**-**	**193,779**	**30,352**	**0**	**0**	**0**
-	-	-	-	-	190,657	30,352	0	0	0
-	-	-	-	-	1,426	0	0	0	0
-	-	-	-	-	1,696	0	0	0	0
0	0	0	0	0	76	0	0	0	0
0	0	0	0	0	76	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
1,004	**468**	**0**	**0**	**468**	**199,306**	**31,638**	**0**	**14**	**911**

	a	b	c	d	e	f
	Reference date of information 2023					
		Climate change mitigation (CCM)				
		Of which to sectors relevant for taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)			
12/31/2023 *(in € millions)*	Gross carrying amount			Of which specialized financing	Of which transitional	Of which enabling
ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (BUT COVERED BY THE DENOMINATOR)						
33 - Non-financial EU corporations (not subject to NFRD disclosure requirements)	**266,190**	**-**	**-**	**-**	**-**	**-**
34 – Loans and advances	247,895	-	-	-	-	-
35 – Debt securities	11,466	-	-	-	-	-
36 – Equity instruments	6,828	-	-	-	-	-
37 - Non-financial non-EU corporations (not subject to NFRD disclosure requirements)	**25,251**	**-**	**-**	**-**	**-**	**-**
38 – Loans and advances	21,461	-	-	-	-	-
39 – Debt securities	3,496	-	-	-	-	-
40 – Equity instruments	294	-	-	-	-	-
41 – Derivatives	1,525	-	-	-	-	-
42 – Interbank demand loans	4,505	-	-	-	-	-
43 – Cash and cash equivalents	1,078	-	-	-	-	-
44 – Other assets (goodwill, commodities, etc.)	29,736	-	-	-	-	-
45 – TOTAL ASSETS IN THE DENOMINATOR (GAR)	**624,530**	**-**	**-**	**-**	**-**	**-**
OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND THE DENOMINATOR FOR THE GAR CALCULATION						
46 – Sovereigns	63,683	-	-	-	-	-
47 – Exposures to central banks	100,322	-	-	-	-	-
48 – Trading book	26,413	-	-	-	-	-
49 - TOTAL ASSETS EXCLUDED FROM THE NUMERATOR AND THE DENOMINATOR	190,418	-	-	-	-	-
50 – TOTAL ASSETS	814,949	-	-	-	-	-

g	h	i	j	k	l	m	n	o	p
Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
Of which to sectors relevant for taxonomy (eligible for taxonomy)					Of which to sectors relevant for taxonomy (eligible for taxonomy)				
	Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)			
		Of which specialized financing	Of which adaptation	Of which enabling			Of which specialized financing	Of which adaptation	Of which enabling
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

5

5.18.6.3.3 Model 8 - Green Asset Ratio (%)

TABLE 83 - MODEL 8: GAR (%)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Reference date of information 2023: KPI concerning outstandings															
	Climate change mitigation (CCM)					Climate change adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of eligible assets financing sectors relevant to the taxonomy					Proportion of eligible assets financing sectors relevant to the taxonomy					Proportion of eligible assets financing sectors relevant to the taxonomy					
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
% (of total assets included in the denominator) as of 12/31/2023			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which adaptation	Of which enabling			Of which specialized financing	Of which transitional/adaptation	Of which enabling	Share of total assets covered
1 – GAR	**32%**	**5%**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**32%**	**5%**	**0%**	**0%**	**0%**	**77%**
2 – Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	67%	11%	0%	0%	0%	0%	0%	0%	0%	0%	67%	11%	0%	0%	0%	24%
3 – Financial corporations	4%	0%	0%	0%	0%	4%	2%	0%	0%	2%	9%	3%	0%	0%	2%	0%
4 – Credit institutions	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
5 – Other financial corporations	7%	1%	0%	0%	0%	8%	4%	0%	0%	4%	15%	5%	0%	0%	4%	0%
6 – of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7 – of which asset management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8 – of which insurance companies	8%	1%	0%	0%	1%	11%	5%	0%	0%	5%	19%	6%	0%	0%	6%	0%
9 – Non-financial corporations subject to the NFRD disclosure requirements	21%	4%	0%	0%	2%	0%	0%	0%	0%	0%	22%	4%	0%	0%	2%	0%
10 – Households	77%	12%	0%	0%	0%	-	-	-	-	-	77%	12%	0%	0%	0%	24%
11 – of which loans secured by residential real estate property	100%	16%	0%	0%	0%	-	-	-	-	-	100%	16%	0%	0%	0%	23%
12 – of which loans for building renovation	100%	0%	0%	0%	0%	-	-	-	-	-	100%	0%	0%	0%	0%	0%
13 – of which motor vehicle loans	36%	1%	1%	1%	0%	-	-	-	-	-	36%	1%	0%	1%	0%	0%
14 – Financing of local governments	1%	0%	0%	0%	0%	-	-	-	-	-	1%	0%	0%	0%	0%	0%
15 – Residential financing	100%	0%	0%	0%	0%	-	-	-	-	-	100%	0%	0%	0%	0%	0%
16 – Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17 – Collateral obtained by seizure: residential and commercial real estate property	0%	0%	0%	0%	0%	-	-	-	-	-	0%	0%	0%	0%	0%	0%

q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
Reference date of information 2023: KPI concerning flows															
Climate change mitigation (CCM)					Climate change adaptation (CCA)					TOTAL (CCM + CCA)					
Proportion of new eligible assets financing sectors relevant to the taxonomy					Proportion of new eligible assets financing sectors relevant to the taxonomy					Proportion of new eligible assets financing sectors relevant to the taxonomy					
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
		Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which adaptation	Of which enabling			Of which specialized financing	Of which transitional/ adaptation	Of which enabling	Share of total assets covered
15%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**15%**	**0%**	**0%**	**0%**	**0%**	**100%**
49%	1%	0%	0%	0%	0%	0%	0%	0%	0%	49%	1%	0%	0%	0%	30%
1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	4%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
6%	1%	0%	0%	1%	0%	0%	0%	0%	0%	6%	1%	0%	0%	1%	1%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23%	5%	0%	0%	4%	0%	0%	0%	0%	0%	23%	5%	0%	0%	4%	3%
61%	1%	1%	0%	0%	-	-	-	-	-	61%	1%	0%	0%	0%	23%
100%	2%	0%	0%	0%	-	-	-	-	-	100%	2%	0%	0%	0%	13%
100%	0%	0%	0%	0%	-	-	-	-	-	100%	0%	0%	0%	0%	0%
56%	0%	0%	0%	0%	-	-	-	-	-	56%	0%	0%	0%	0%	2%
2%	0%	0%	0%	0%	-	-	-	-	-	2%	0%	0%	0%	0%	0%
100%	0%	0%	0%	0%	-	-	-	-	-	100%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	-	-	-	-	-	0%	0%	0%	0%	0%	0%

5.18.6.3.4 Model 10: Other mitigation actions

TABLE 84 - MODEL 10 – OTHER CLIMATE CHANGE MITIGATION MEASURES NOT COVERED IN REGULATION (EU) 2020/852

At 12/31/2023 ***(in € millions)***

a	b	c	d	e	f
Type of financial instrument	Counterparty category	Gross carrying amount *(in € millions)*	Type of risk mitigated (transition risk related to climate change)	Type of risk mitigated (physical risk related to climate change)	Qualitative information on the nature of mitigation measures
Bonds (*e.g. green*, sustainable, sustainability-related under non-EU standards)	1 – Financial corporations	1,350	Yes	No	See (1) below
	2 – Non-financial corporations	296	Yes	No	
	3 – of which secured by commercial real estate property	-	-	-	
	4 – Other counterparties	603	Yes	No	
Loans (*e.g.* green, sustainable, sustainability-linked under non-EU standards)	5 – Financial corporations	2,394	Yes	No	See (2), (3), (4) and (5) below
	6 – Non-financial corporations	3,752	Yes	No	
	7 – of which secured by commercial real estate property	170	Yes	No	
	8 – Households	5,286	Yes	No	
	9 – of which secured by residential real estate property	5,180	Yes	No	
	10 – of which loans for building renovation	82	Yes	No	
	11 – Other counterparties	-	-	-	

At 12/31/2022 ***(in € millions)***

a	b	c	d	e	f
Type of financial instrument	Counterparty category	Gross carrying amount *(in € millions)*	Type of risk mitigated (transition risk related to climate change)	Type of risk mitigated (physical risk related to climate change)	Qualitative information on the nature of mitigation measures
Bonds (*e.g.* green, sustainable, sustainability-related under non-EU standards)	1 – Financial corporations	778	Yes	-	See comments
	2 – Non-financial corporations	148	Yes	-	
	3 – of which secured by commercial real estate property	0	-	-	
	4 – Other counterparties	342	Yes	-	

a	b	c	d	e	f
Type of financial instrument	**Counterparty category**	**Gross carrying amount** *(in € millions)*	**Type of risk mitigated (transition risk related to climate change)**	**Type of risk mitigated (physical risk related to climate change)**	**Qualitative information on the nature of mitigation measures**
Loans (*e.g.* green, sustainable, sustainability-linked under non-EU standards)	5 – Financial corporations	2,079	Yes	-	See comments
	6 – Non-financial corporations	2,744	Yes	-	
	7 – of which secured by commercial real estate property	0	-	-	
	8 – Households	915	Yes	-	
	9 – of which secured by residential real estate property	0	-	-	
	10 – of which loans for building renovation	0	-	-	
	11 – Other counterparties	0	-	-	

In this model, Crédit Mutuel Alliance Fédérale documents bond subscriptions and loans offered to customers that are not covered by Regulation (EU) 2020/852: European taxonomy, as of December 31, 2023. The following products are considered as presenting climate change mitigation measures not covered by Regulation (EU) 2020/852, known as the Taxonomy Regulation:

(1) investments in green bonds. As of December 31, 2023, as the issuers of these securities had not documented the eligibility of their issues for the Taxonomy Regulation, they were considered as not covered by European taxonomic regulations;

(2) impact financing whose characteristics depend on the achievement of environmental objectives. As these loans are intended for counterparties not subject to the disclosure obligations of Directive 2014/95/EU Non-Financial Reporting Directive (NFRD), they are not taken into account in the calculation of the eligibility ratio but nevertheless make it possible to mitigate climate change through the indicators developed for impact measurement (greenhouse gas emissions in particular);

(3) home loans that meet the substantial contribution criteria of the taxonomy but that are not aligned under the DNSH criterion for the physical risk;

(4) project financing whose purpose relates to climate risk mitigation measures (in particular financing dedicated to renewable energies granted to counterparties not subject to the publication obligations of Directive 2014/95/EU Non-Financial Reporting Directive (NFRD);

(5) financing whose purpose contributes to the mitigation of climate risk, in particular the financing of renewable energy installations or the energy renovation of buildings for counterparties not subject to the publication obligations of Directive 2014/95/EU Non-Financial Reporting Directive (NFRD).

5.19 COMPENSATION (EU OVB & EU REMA)

5.19.1 Management functions

Number of positions held by members of the management body

Name	Status	Term of office in the group	Non-group offices
BOARD OF DIRECTORS			
Nicolas Théry	Chairman of the Board Directors	18 non-executive offices	2 non-executive offices
Hélène Dumas	Vice-Chairwoman of the Board of Directors	4 non-executive offices	
Marie-Jean Boog	Director	3 non-executive offices	
Gérard Cormoreche	Director	16 non-executive offices	
Bernard Dalbiez	Director	14 non-executive offices	
Nicolas Habert	Director	9 non-executive offices	
Marie Josso	Director	6 non-executive offices	1 executive office 4 non-executive offices
Christine Leenders	Director	5 non-executive offices	1 executive office
Jean-Louis Maître	Director	8 non-executive offices	
Monique Boughelilba	Director	6 non-executive offices	
Bich Van Ngo	Director	4 non-executive offices	2 executive offices 1 non-executive office
Frédéric Ranchon	Director	7 non-executive offices	2 executive offices 1 non-executive office
Agnès Rouxel	Director	3 non-executive offices	2 non-executive offices 2 executive offices
Daniel Schoepf	Director	6 non-executive offices	
Jacques Simon	Director	4 non-executive offices 1 executive office	1 executive office
Annie Virot	Director	5 non-executive offices	
Alex Weimert	Director	8 non-executive offices	2 executive offices
Luc Wynant	Director	5 non-executive offices	1 executive office 2 non-executive offices
Audrey Hammerer	Director representing employees	2 non-executive offices	
Laurent Torre	Director representing employees	1 non-executive office	
EFFECTIVE MANAGEMENT			
Daniel Baal	Chief Executive Officer – effective manager	7 non-executive offices and 5 executive offices	
Eric Petitgand	Deputy Chief Executive Officer – effective manager	6 non-executive offices 6 executive offices	

Information concerning the recruitment policy for the selection of members of the management body as well as their knowledge, skills and expertise

Pursuant to Article L.511-91 of the French Monetary and Financial Code, since January 1, 2018, the Appointments Committee covers the entities of Crédit Mutuel Alliance Fédérale that have delegated their appointment prerogatives to it, in France and abroad. In accordance with the appendix on the Appointments Committee to the internal rules of the Board of Directors of Caisse Fédérale de Crédit Mutuel and in compliance with the provisions of the French Monetary and Financial Code, the Appointments Committee examines the training, experience, skills, availability and good repute of the candidates for the positions of director or executive and then ensures that they always have the necessary aptitude to carry out their duties. In addition, the Appointments Committee periodically, and at least once a year for Caisse Fédérale de Crédit Mutuel, assesses: the structure, size, composition and effectiveness of the Board of Directors in relation to its duties, as well as the knowledge, skills and experience of the members of the Board of Directors, both individually and collectively.

Diversity of the Board of Directors

Gender balance

The Copé-Zimmermann Law (law No. 2011-103 of January 27, 2011, as amended in 2014) is applicable to Caisse Fédérale de Crédit Mutuel and has been implemented *via* the appointment of eight female directors in 2017 and 2018.

In 2023, the representation of women on the Board of Directors of Caisse Fédérale de Crédit Mutuel was 44%.

Regional representation

The directors of Caisse Fédérale de Crédit Mutuel come from all of the federations throughout the territory within the scope of Crédit Mutuel Alliance Fédérale.

Representation of society

The diversity of the directors of Caisse Fédérale de Crédit Mutuel in terms of sociology, age, origin and gender tends to result in a Board of Directors that is representative of its customers and society.

Strategic plan

The work undertaken as part of the *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) strategic plan of Crédit Mutuel Alliance Fédérale reaffirmed the group's ambition to strengthen diversity in the composition of its governance, with the aim of achieving equal representation between men and women in management and governance positions.

On December 2, 2022, the Board of Directors of Caisse Fédérale de Crédit Mutuel adopted a charter on the diversity policy for the members of the supervisory bodies.

Information on the diversity policy applicable to the selection of members of the management body

In line with its status as a benefit corporation and its strategic plan, Crédit Mutuel Alliance Fédérale attaches great importance to women's careers. Today, the network's school of directors does not commence courses without gender balance in the classroom. For all appointments to senior management and executive positions, women are nominated, with the aim of achieving parity quickly. In the space of one year, and thanks to our work, we achieved a percentage of women on the management committees of 38% on the social base.

Lastly, in 2023, Crédit Mutuel Alliance Fédérale continued its actions to correct the collective wage gap between women and men. In addition to these measures, substantive medium- and long-term actions will continue with the training of all employees and elected members to combat all forms of discrimination.

In 2023, Crédit Mutuel Alliance Fédérale had 45% female managers in France, 45% female general managers in the network banks and 38% femal members of an Executive Committee.

As part of its 2024-2027 strategic plan Togetherness Performance Solidarity, Crédit Mutuel Alliance Fédérale has set itself the goal of achieving gender equality in management and governance positions.

In addition to the actions carried out to promote and support women at all levels of the company, an approach aimed at working on diversity in all its forms has been initiated: integration of people with disabilities with the launch of the group handicap mission, implementation of a generational pact: young people, work-study programs, senior citizens, disadvantaged neighborhoods, etc.

Through all of these actions, Crédit Mutuel Alliance Fédérale aims to embody a group whose governance refuses all forms of discrimination by acting on a daily basis to build an inclusive, fairer and more sustainable society: proof of mutual action.

Information on whether or not the institution has set up a separate Risk Committee, and the frequency of its meetings

Caisse Fédérale de Crédit Mutuel has set up a Risk Committee called the Group Risk Monitoring Committee (GRMC).

The GRMC includes the Crédit Mutuel Alliance Fédérale entities consolidated by Caisse Fédérale de Crédit Mutuel (bank code 10278) taken as the parent company of Crédit Mutuel Alliance Fédérale consolidated group, which by virtue of their size, internal organization and the nature, scale, complexity and cross-border nature of their activity fall within the scope of consolidation by decision of the Board of Directors.

The Risk Monitoring Committee issues opinions and advice in preparation for decisions made by the Board of Directors on general policy, thresholds and limits in matters of risk management. It meets at least four times a year and as often as necessary in any case.

The Committee is composed of three to eight members of the Board of Directors of Caisse Fédérale de Crédit Mutuel and its main subsidiaries, BFCM, BECM and CIC, selected in particular for their expertise and skills in the areas covered by the Committee, and an employee director as a mandatory requirement.

In addition to these members, associate members may be censors of Caisse Fédérale du Crédit Mutuel, censors of Banque Fédérative du Crédit Mutuel, censors of BECM or directors of the federations of Crédit Mutuel Alliance Fédérale. For the GRMC, these associate members, from the federations that are members of Caisse Fédérale de Crédit Mutuel and form Crédit Mutuel Alliance Fédérale, allow all federations to be represented. These associate members may also qualify as invited members.

In addition to the appointed members, the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, the Chief Financial Officer of Crédit Mutuel Alliance Fédérale and the head of the risk management function take part on a permanent basis.

Description of information flows on risks to the management body

Interaction with the Board of Directors of Caisse Fédérale de Crédit Mutuel is achieved through the participation of the Chairman of the GRMC in Board meetings, during which he presents a summary of the work and decisions of the GRMC.

The members and associate members serving as directors of a federation who are members of Crédit Mutuel Alliance Fédérale must, as part of their duties, provide a summary of the discussions and opinions delivered by the Committees to the federation of which they are respectively directors.

5.19.2 Compensation supervisory bodies

Crédit Mutuel Alliance Fédérale, which is subject to supervision by the ACPR on a consolidated basis, decided at its Board of Directors meeting on February 27, 2015 to set up a Compensation Committee in accordance with Article L.511-89 of the French Monetary and Financial Code.

At its meeting on November 17, 2017, the Board of Directors of Caisse Fédérale de Crédit Mutuel decided to set up an umbrella committee at the level of Caisse Fédérale de Crédit Mutuel covering the entire scope of Crédit Mutuel Alliance Fédérale.

Consequently, since that date, the Committee has had the following scope of competence:

- all credit institutions and finance companies;
- the group's entities consolidated by Caisse Fédérale de Crédit Mutuel (CIB 10278) taken as the parent company of the consolidated Crédit Mutuel Alliance Fédérale, which, by virtue of their size, internal organization and the nature, scale, complexity and cross-border nature of their activity, fall within the scope of consolidation by decision of the Board of Directors;
- with the exception of entities which, because of their activity, size or specific nature, have a committee that complies with legal and regulatory provisions. In this case, this individual committee reports to the Compensation Committee of Caisse Fédérale de Crédit Mutuel on the work carried out and the information communicated;
- asset management companies and insurance and reinsurance companies.

From January 1, 2023 to December 31, 2023, the Compensation Committee was composed of:

- Ms. Annie Virot, Chairwoman;
- Mr. Philippe Galienne;
- Ms. Audrey Hammerer;
- Ms. Christine Leenders;
- Mr. Jean-François Jouffray, member who left during the fiscal year;
- Mr. Gérard Oliger, member who left during the fiscal year;
- Ms. Marie Josso, member who left during the fiscal year;
- Ms. Brigitte Stein, member who left during the fiscal year.

The Committee is composed of three to eight members of the Board of Directors of Caisse Fédérale de Crédit Mutuel and its main subsidiaries, in particular BFCM, BECM and CIC, selected for their expertise and skills in the areas covered by the committee, and one employee director.

In addition to these members, associate members may be censors of Caisse Fédérale du Crédit Mutuel, censors of Banque Fédérative du Crédit Mutuel, censors of BECM or directors of the federations of Crédit Mutuel Alliance Fédérale.

The members of the Committee shall at all times possess the good character, knowledge, skills and experience necessary to understand the activities of Crédit Mutuel Alliance Fédérale, including the main risks to which it is exposed.

The members are appointed by the Board of Directors on the proposal of its Chairman for the duration of their term of office.

Crédit Mutuel Alliance Fédérale commissioned an external study in 2021 on the compensation of management and Management Committee members in retail banking in France. The conclusions were presented at the meeting of July 27, 2021. The same study was carried out in 2023 and presented at the last meeting of the Compensation Committee in November.

In 2023, the Compensation Committee met four times, on February 1, April 3, July 24 and November 20.

The agenda of the meetings is set by the Chairman of the Committee or by the Chairman of the Board of Directors, when the latter is the originator of the convocation. It is sent to Committee members in advance of their meeting, along with a file containing highlights of banking and financial news on compensation and useful information for their discussions.

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation in line with its mutualist values and its responsibilities toward its customers and members. It incorporates its constant concern for sustainable development and employee career advancement into its policy.

For the majority of the group's employees, particularly those working for the networks, the group has chosen (with a few rare exceptions) not to set individual sales targets for customers that could give rise to variable compensation.

In general, the components of additional compensation (benefits in kind, variable compensation, etc.) are subject to restrictions and concern only specific situations in certain business lines or functions when justified by particular considerations. The variable compensation practices for specialized business lines within the group are therefore generally consistent with those of other banking groups: trading floor, specialized financing, asset management, private equity, private banking and consumer credit.

If applicable, this compensation requires documentation on the rules for the allocation and determination of the amounts awarded.

The total compensation of Crédit Mutuel Alliance Fédérale employees includes several components:

- fixed compensation;
- annual variable compensation;
- collective compensation in the form of incentives and profit-sharing and shareholding in France;
- a supplementary pension plan and health insurance;
- benefits in kind (company car, etc.).

Depending on the business line, the responsibilities exercised and the performance achieved, employees benefit from all or some of these elements.

For example, variable compensation may be granted for certain business lines only and under certain strictly-defined conditions. This variable portion takes into account a specific contribution to the development and results of Crédit Mutuel Alliance Fédérale as well as compliance with ethical rules. The variable compensation base includes financial and non-financial targets assigned to employees and teams. In order to calculate the amount to be distributed and to better control risk factors, the costs attributable to the activities are deducted, in particular the costs of risk and liquidity.

Crédit Mutuel Alliance Fédérale's 2023 compensation policy provides for specific compensation conditions for employees identified as risk takers.

Thus, in 2023, the amount of variable compensation amounted to nearly 4.3% of total compensation within the regional group Crédit Mutuel Alliance Fédérale.

Crédit Mutuel Alliance Fédérale applies all regulatory provisions for managing compensation.

Employees falling within the "risk takers" category at Crédit Mutuel Alliance Fédérale level in 2023 have been identified in accordance with the regulations in force. The identification was carried out on an individual and consolidated basis.

Thus, in accordance with Article 199 of the Order of November 3, 2014 (as amended by the Order of December 22, 2020), as long as they are not large within the meaning of point 146 of paragraph 1 of Article 4 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, credit institutions, finance companies, investment firms as well as the groups mentioned in III of Article L.511-57 of the French Monetary and Financial Code are not subject to the provisions of Articles L.511-81 and L.511-82 and of the second paragraph of Article L.511-84 of the French Monetary and Financial Code on an individual basis and, where applicable, on a consolidated basis when they are in one or other of the following situations:

a) their balance sheet total is less than or equal to an average of €5 billion over the four-year period immediately preceding the current fiscal year;

b) their balance sheet total is less than or equal to an average of €10 billion over the four-year period immediately preceding the current fiscal year and they cumulatively meet the criteria set out in points c, d and e of Article 4, paragraph 1, point 145 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013.

Given the size of Crédit Mutuel Alliance Fédérale and some of its constituent entities, risk-takers are identified not only at the consolidated level but also at the individual level.

Crédit Mutuel Alliance Fédérale's human resources department, in conjunction with the risk and compliance department, submits a list to executive management which is validated by the Compensation Committee and the Board of Directors.

At the consolidated level

The scope therefore concerns Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel, CIC, Cofidis and TARGOBANK AG.

In terms of qualitative criteria, the list of MRTs therefore includes:

- the members of Chairmanship and Executive Management;
- the directors and all members of the specialized committees of the umbrella structures;
- the heads of compliance, periodic control, permanent control and risk management, at group level;
- the directors of a function in charge of legal affairs, finance (including tax and budget), human resources, compensation policy, anti-money laundering and combating the financing of terrorism, information technology, business analysis or the outsourcing of essential functions, at group level;
- the risk managers and managers of major business units (*i.e.* operational units to which at least 2% of the group's internal capital has been allocated), given that the managers of Crédit Mutuel Alliance Fédérale include the managers and employees that report directly to them;
- employees with power to make proposals or commit the group, individually or collectively as a committee, up to the regulatory threshold of 0.5% of Tier 1 capital, *i.e.* either through loan origination or through equity investments;
- employees who may expose the credit institution to a market risk equal to or greater than 0.5% of CET1 or 5% of the internal limit in risk value;
- employees managing a group of people who, cumulatively, may meet the thresholds for credit or market risk commitments;
- the members of the committees responsible for managing a specific risk: ALM Committee, Group Risk Committee, Operational Risk/Permanent Control Committee, Control/Compliance Committee, New Products Committee.

With regard to quantitative criteria, employees should be considered as risk takers:

- with a total compensation greater than or equal to €750,000;
- with compensation of €500,000 or more as well as the average compensation of members of the management body and Executive Management, in order to identify personnel whose activities have a significant impact on the risk profile of a major business unit.

For the application of quantitative criteria, compensation is based on a gross and full-time equivalent basis (reconstitution of full-time compensation over the full year for a part-time employee or an employee hired during the year), awarded during the fiscal year N-1.

In addition to the group's effective managers and the managers of credit institutions, finance companies and investment firms identified on an individual basis (see below), Crédit Mutuel Alliance Fédérale has decided to consider as risk takers all the effective managers of its subsidiaries and all staff members whose compensation exceeds the threshold of €500,000.

At the individual level

An identification of risk-takers is also carried out at the level of credit institutions, finance companies and investment firms that meet the criteria for application on an individual basis set out in Delegated Regulation No. 604/2014 (amended by the Order of December 22, 2020, Articles 198, 199 and 200).

Each year, the list of institutions concerned within the scope of Crédit Mutuel Alliance Fédérale is drawn up by the group human resources department and the Compensation Committee is informed.

In terms of qualitative criteria, the list therefore includes:

- the members of Chairmanship and Executive Management;
- directors;
- the heads of compliance, periodic control, permanent control and risk management, at the individual level and in the major operational units identified;
- the directors of a function in charge of legal affairs, finance (including tax and budget), human resources, compensation policy, anti-money laundering and combating the financing of terrorism, information technology, business analysis or outsourcing of key functions, at the institutional level and at the level of the major business unit where these activities are delegated locally;

- the managers of the major business units not previously identified (*i.e.* operational units to which at least 2% of the group's internal capital has been allocated), bearing in mind that the managers for Crédit Mutuel Alliance Fédérale include the managers and the employees reporting directly to it;
- employees with power to make proposals or commit the group, individually or collectively as a committee, up to the regulatory threshold of 0.5% of Tier 1 capital, *i.e.* either through loan origination or through equity investments;
- employees who may expose the credit institution to a market risk equal to or greater than 0.5% of CET1 or 5% of the internal limit in risk value;
- employees managing a group of people who, cumulatively, may meet the thresholds for credit or market risk commitments;
- the members of the committees responsible for managing a specific risk: ALM Committee, Group Risk Committee, Operational Risk/Permanent Control Committee, Control/Compliance Committee, New Products Committee.

In terms of quantitative criteria, the list includes:

- employees with total compensation greater than or equal to €750,000;
- employees with fixed compensation of €500,000 or more, as well as the average compensation of members of the management body and Executive Management in order to identify employees whose activities have a significant impact on the risk profile of a major business unit;
- where the institution has more than 1,000 employees, they are among the 0.3% of employees (rounded up to the nearest whole number) who received the highest total compensation within the institution during the previous year or for the previous year on an individual basis.

5.19.3 Design and structure of compensation processes

Crédit Mutuel Alliance Fédérale has put in place a remuneration system that is in line with its values, given the specificities of its businesses, its legal entities and the national and international legislation in which it operates, while ensuring that its employees are remunerated in line with the reference markets in order to attract and retain the talent it needs.

The Executive Management of Crédit Mutuel Alliance Fédérale defines the strategic guidelines for compensation (for example, the choice to favor fixed compensation, except for limited exceptions in some specialized activities) or operational guidelines (for example in the context of annual negotiations) and then examines the compensation policy prepared by Crédit Mutuel Alliance Fédérale HR department together with the heads of Crédit Mutuel Alliance Fédérale business lines and entities.

The risk, permanent control and compliance department of Crédit Mutuel Alliance Fédérale checks that the proposed policy:

- is in line with Crédit Mutuel Alliance Fédérale's business strategy, objectives, values and long-term interests;
- takes into account measures to avoid conflicts of interest;
- is designed to promote sound and effective risk management;
- complies with regulations;
- is applied in an appropriate manner within Crédit Mutuel Alliance Fédérale and reports non-compliance issues to the effective managers and the supervisory body.

The Board of Directors adopts and regularly reviews the general principles of the compensation policy and monitors their implementation.

The total compensation of Crédit Mutuel Alliance Fédérale employees includes several components:

- fixed compensation, which remunerates the employee's skills, experience, level of qualification and commitment. It is set according to the market and a principle of internal consistency at Crédit Mutuel Alliance Fédérale in line with the group agreement implemented on January 1, 2018 for France;
- variable compensation for certain categories of employees: for certain business lines and under certain conditions, a variable portion may be granted. It takes into account a specific contribution to the development and results of Crédit Mutuel Alliance Fédérale. The variable compensation base includes financial and non-financial targets explicitly assigned to employees and teams. For certain activities, and in order to better control risk factors, the costs attributable to these activities are deducted, in particular the costs of risk and liquidity. Variable compensation does not constitute a right and is set each year in accordance with the compensation policy applied by Crédit Mutuel Alliance Fédérale for the year in question and the governance principles in force;
- collective compensation in the form of incentives and profit-sharing in France: such compensation will be possible, where applicable, depending on the size and agreements in place within each entity;
- a supplementary pension plan and health insurance;
- benefits in kind (company car, etc.).

All or some of these components are available to employees, depending on the entity, the activity, the responsibilities assumed and the performance achieved.

The operational procedures implementing Crédit Mutuel Alliance Fédérale's compensation policy are documented so as to ensure, through permanent or periodic control, the understanding of the system and the traceability of decisions in relation to the principles and procedures in force.

As part of the regular review of the implementation of the principles of Crédit Mutuel Alliance Fédérale's compensation policy, on November 23, 2023 the Compensation Committee proposed to the Board of Directors to update the compensation policy on the item of the extension of the lock-up period from 6 months to 1 year for the deferred payments for risk takers.

At its first annual meeting, the Compensation Committee of Crédit Mutuel Alliance Fédérale reviewed the compensation of senior executives in the risk, compliance, permanent control and periodic control functions.

These have not received variable compensation linked to individual performance for many years.

This compensation is under the supervision and decision of the group human resources department.

Crédit Mutuel Alliance Fédérale's compensation policy uses the standards described in Credit Mutuel's confederal framework on compensation - Identified population, in particular with regard to the rules in terms of guaranteed variable compensation and severance payments.

5.19.4 Consideration of risks in the compensation process

The compensation policy implemented by Crédit Mutuel Alliance Fédérale is intended above all to be reasonable and responsible and seeks to align the interests of Crédit Mutuel Alliance Fédérale with those of its employees. Crédit Mutuel Alliance Fédérale believes that a company's compensation policy is an important aspect of consistency in its strategy and risk management. In this context, Crédit Mutuel Alliance Fédérale, in accordance with its mutualist values, has defined a policy that complies with regulatory requirements with the aim of:

- promoting its mutualist values with respect for all stakeholders: members, customers and employees;
- promoting career advancement through internal training and encouraging employees' long-term commitment;
- not encouraging excessive risk-taking, avoiding the introduction of incentives that could lead to conflicts of interest and not encouraging or inducing unauthorized activities;
- ensuring consistency between employee behavior and Crédit Mutuel Alliance Fédérale's long-term objectives, in particular with respect to risk management control;
- ensuring fair compensation and retaining talented employees by offering them appropriate compensation that takes into consideration the competitive environment and is based on their level of seniority, expertise and professional experience;
- respecting gender equality in terms of pay based on classification, and more broadly, fighting all forms of discrimination;
- making sure that the capital base is regularly strengthened.

Thus, in 2023, the amount of variable compensation amounted to almost 4.3% of total compensation within the Crédit Mutuel Alliance Fédérale, 1.96% of general operating expenses and 0.29% of CET1 capital.

5.19.5 Performance-based compensation

The variable compensation package for each business line is subject to a proposal by the management of these business lines to the human resources department and the Executive Management of Crédit Mutuel Alliance Fédérale, clearly stating:

- the consistency of the change in the package with the quantitative performance of the unit (sales performance, financial performance, etc.);
- the compliance with internal control rules (compliance with control rules, limits, ethics, conflicts of interest, etc.);
- the consistency of the package with the financial fundamentals of the unit: the package does not reduce the financial fundamentals of the institution and preserves long-term interests (weighting of general operating expenses, weighting of net income, etc.);
- the consistency with risk and prior adjustment: the budget is also set taking into account risk-adjusted performance criteria: return on assets, consumption of capital required for business risks, liquidity risk, etc. The level of the package is not the result of excessive risk-taking;
- the comparison with market practices, where necessary.

The packages set for each of the entities/units are distributed among the various activities according to criteria specific to each business or team. The distribution of bonuses takes into account various aspects such as:

- performance measurement;
- risk measurement;
- behavior in terms of team spirit and responsiveness;
- professional behavior in relation to the values, ethics and procedures of Crédit Mutuel Alliance Fédérale.

5.19.6 Variable and deferred compensation

As indicated in its compensation policy, variable compensation is limited to certain specialized business lines in France and abroad. When the system is in place, the forms of allocation are standardized and deferral methods are governed by the group's policy for identified personnel.

Until 2021, Crédit Mutuel Alliance Fédérale did not use payment in the form of financial instruments for deferred variable compensation. This practice is correlated to the mutualist status of the group, which is made up of members. As a result, there is no share capital held by shareholders. There is therefore no variable compensation indexed to Crédit Mutuel Alliance Fédérale shares or securities, all of which is paid in cash.

At its meeting on November 23, 2021, the Compensation Committee reviewed the changes to the compensation policy and, in particular taking into account of the confederal framework on compensation for the risk-takers population established at the beginning of 2021 at the request of the JST.

As a result, changes have been made to the rules governing the payment of variable compensation to risk takers from 2021 onwards. The variable compensation of risk takers must comply with the following criteria, provided that the variable compensation exceeds €50,000 or represents more than one-third of their total annual compensation:

- 50% of the variable compensation is deferred when the amount awarded is less than €500,000, and 60% when the amount awarded is higher;
- 50% of the variable compensation is paid in the form of financial instruments. For Crédit Mutuel Alliance Fédérale, the financial instrument-based payment obligation cannot be applied as-is and involves the use of non-cash instruments equivalent to ownership rights. These instruments consist of the allocation of blocked cash, indexed to a composite indicator reflecting the performance of the entities to which the beneficiary belongs. Crédit Mutuel Alliance Fédérale has chosen to use a common indicator for the entire regional group, based on a moving average over the last three years of the RORWA (return on risk-weighted assets). This indicator meets the following objectives:
  - integrating a long-term approach with a consideration of solvency over time,
  - integrating a performance approach linked to changes in the regional group's net profit/(loss),
  - taking into account the principles of the compensation policy, which above all advocates the strength of the group, by limiting variable compensation to specialized business lines.

These conditions set out in this way are applied to all of the group's risk takers, regardless of their parent entity.

The activities concerned by the request to exceed the 100% threshold are the trading floor activities (investment business) in France and New York.

The individual distribution to employees is decided by line managers on the basis of an overall assessment of individual and collective performance, including quantitative and qualitative criteria. There is no direct and automatic link between the level of an employee's commercial and financial results and their level of variable compensation in order to prevent any risk of conflict of interest or disregard for the interests of Crédit Mutuel Alliance Fédérale and its customers.

Individual allocations are carried out and decided by management based on:

- the performance of the team to which the person concerned belongs;
- individual performance measured according to the result-risk ratio;
- individual assessments taking into account the qualitative achievements in relation to the objectives set.

For example, for market operators, the overall allocation is made according to the following quantitative and qualitative performance criteria:

- economic results of the activity to which the operators are attached;
- risks taken;
- compliance with limits and delegations;
- behavior within teams;
- initiatives with a positive impact on the success of operations;
- team management (according to hierarchical position);
- in addition, the actual payment of the deferred portion is conditional and subject to a penalty clause related to the results of the activity. The deferred compensation may therefore be substantially reduced or even not be paid in the event of failure to control risks resulting in losses. This clause makes it possible to hold employees accountable for the medium-term risks they may impose on the institution. In addition, the payment of these amounts is subject to a continued employment condition.

Guaranteed variable compensation is prohibited, except in the context of the hiring of financial market professionals, excluding intra-group transfers. In this case, the guarantee is limited to one year.

In the event of forced departure due to serious misconduct or gross negligence, these “post-departure” compensation components may be reduced or eliminated, in particular by applying the provisions provided for by the company and in particular in France under Articles L.511-84 and L.511-84-1 of the French Monetary and Financial Code.

TABLE 85: SUMMARY OF COMPENSATION AWARDED DURING THE FISCAL YEAR (EU REM1)

(in euros) At 12/31/2023		Management			
		Management body – Supervisory function	Management body – Management function	Other Executive Management members	Other members of the identified population
Fixed compensation awarded during the year	**Number of members of the identified population (who received fixed compensation)**	**160**	**154**	**190**	**361**
	Total fixed compensation	**€5,126,465**	**€49,925,962**	**€38,886,198**	**€66,681,275**
	Of which: compensation in cash	€4,962,842	€46,258,937	€34,565,468	€59,962,715
	Of which: shares and equivalent ownership rights	€0	€0	€0	€0
	Of which: other instruments linked to shares and other equivalent non-cash instruments	€0	€0	€0	€0
	Of which: other instruments	€0	€0	€0	€0
	Of which: other types of compensation	€163,623	€3,667,025	€4,320,729	€6,718,560
Variable compensation awarded during the year	**Number of members of the identified population (who received variable compensation)**	**0**	**0**	**0**	**0**
	Total variable compensation	**€0**	**€8,422,060**	**€7,307,074**	**€18,734,756**
	Of which: compensation in cash	€0	€4,743,492	€4,220,437	€10,549,442
	Of which: deferred compensation included in this compensation in cash	€0	€1,892,412	€1,595,375	€4,189,385
	Of which: shares and equivalent ownership rights	€0	€0	€0	€0
	Of which: deferred compensation included in this compensation in shares and equivalent ownership rights	€0	€0	€0	€0
	Of which: instruments linked to shares and other equivalent non-cash instruments	€0	€3,678,568	€3,086,638	€8,185,313
	Of which: deferred compensation included in this compensation in instruments linked to shares and other equivalent non-cash instruments	€0	€1,892,420	€1,595,377	€4,130,890
	Of which: other instruments	€0	€0	€0	€0
	Of which: deferred compensation included this compensation in other instruments	€0	€0	€0	€0
	Of which: other types of compensation	€0	€0	€0	€0
	Of which: deferred compensation included in these other forms of compensation	€0	€0	€0	€0
	TOTAL COMPENSATION ALLOCATED DURING THE FISCAL YEAR	**€5,126,465**	**€58,348,022**	**€46,193,272**	**€85,416,030**

TABLE 86: SPECIAL PAYMENTS DURING THE FISCAL YEAR (EU REM2)

(in euros) **At 12/31/2023**		**Management**			
		Management body – Supervisory function	**Management body – Management function**	**Other Executive Management members**	**Other members of the identified population**
Guaranteed variable compensation awarded during the fiscal year Including arrival bonuses, guaranteed variable compensation following the arrival of an employee, etc.	**Number of members of the identified population**	-	-	-	-
	Total amount	-	-	-	
	Of which paid during the fiscal year and which are not included in the capping of bonuses	€0	€0	€0	€0
Severance payments paid during the fiscal year, awarded in previous periods	**Number of members of the identified population**	**0**	**0**	**0**	**0**
	Total amount	**€0**	**€0**	**€0**	**€0**
Severance payments awarded during the fiscal year	**Number of members of the identified population**	1	1	2	3
	Total amount	**€0**	**€195,000**	**€631,061**	**€1,141,176**
	Of which paid during the fiscal year	€0	€195,000	€631,061	€1,141,176
	Of which paid during the fiscal year and which are not included in the capping of bonuses	€0	€0	€0	€0
	Of which deferred	€0	€0	€0	€0
	Of which the highest indemnities awarded to a single person	€0	€195,000	€577,162	€760,000

TABLE 87: DEFERRED COMPENSATION SUBJECT TO A LOCK-UP PERIOD (EU REM3)

(in euros) At 12/31/2023	Deferred compensation vested in respect of previous fiscal years Y-1 and prior			Operations that took place in year Y (including compensation that will not be paid in Y+1)			Compensation vested in Y g = paid immediately in Y+1 h = subject to retention	
	Total amount of deferred compensation granted in respect of previous performance periods	Of which: vesting during/ at the end of the fiscal year	Of which: vesting during/ at the end of the following fiscal years	Amount of the performance adjustment applied during the fiscal year to deferred compensation that were to vest during the fiscal year	Amount of the performance adjustment applied during the fiscal year to deferred compensation that were to vest in future performance years	Total amount of adjustment during the fiscal year due to implicit *ex-post* adjustments	Total amount of deferred compensation granted before the fiscal year actually paid during the fiscal year	Total amount of deferred compensation granted in respect of previous performance periods that have vested but are subject to retention periods
	a	b	c	d	e	f	g	h
MANAGEMENT BODY – SUPERVISORY FUNCTION	**€0**	**€0**	**€0**	**€0**	**€0**	**€0**	**€0**	**€0**
Cash	-	-	-	-	-	-	-	-
Shares and equivalent ownership rights	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments linked to shares and other equivalent non-cash instruments	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments	€0	€0	€0	€0	€0	€0	€0	€0
Other types	€0	€0	€0	€0	€0	€0	€0	€0
MANAGEMENT BODY – MANAGEMENT FUNCTION	**€8,569,462**	**€2,550,192**	**€6,019,270**	**€0**	**€0**	**€0**	**€2,550,192**	**€0**
Cash	€5,775,181	€1,808,038	€3,967,142	€0	€0	€0	€1,808,038	€0
Shares and equivalent ownership rights	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments linked to shares and other equivalent non-cash instruments	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments	€2,794,281	€742,154	€2,052,127	€0	€0	€0	€742,154	€0
Other types	€0	€0	€0	€0	€0	€0	€0	€0
OTHER EXECUTIVE MANAGEMENT MEMBERS	**€7,877,910**	**€4,187,428**	**€3,690,483**	**€0**	**€0**	**€0**	**€1,510,367**	**€0**
Cash	€4,345,049	€2,476,384	€1,868,665	€0	€0	€0	€782,127	€0
Shares and equivalent ownership rights	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments linked to shares and other equivalent non-cash instruments	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments	€3,532,861	€1,711,043	€1,821,818	€0	€0	€0	€728,240	€0
Other types	€0	€0	€0	€0	€0	€0	€0	€0
OTHER MEMBERS OF THE IDENTIFIED POPULATION	**€12,254,292**	**€4,187,428**	**€8,066,864**	**€0**	**€0**	**€0**	**€4,103,931**	**€0**
Cash	€6,484,765	€2,476,384	€4,008,381	€0	€0	€0	€2,429,343	€0
Shares and equivalent ownership rights	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments linked to shares and other equivalent non-cash instruments	€0	€0	€0	€0	€0	€0	€0	€0
Other instruments	€0	€0	€0	€0	€0	€0	€1,674,589	€0
Other types	€5,769,526	€1,711,043	€4,058,483	€0	€0	€0	€0	€0
TOTAL	**€28,701,663**	**€10,925,047**	**€17,776,616**	**€0**	**€0**	**€0**	**€8,164,490**	**€0**

TABLE 88: HIGH LEVELS OF COMPENSATION (EU REM4)

(in number of people) **At 12/31/2023**	**Members of the identified population who received a high level of compensation within Article 450(i) CRR**
Between 1 million and 1.5 million not included	8
Between 1.5 million and 2 million not included	2
Between 2 million and 2.5 million not included	-
Between 2.5 million and 3 million not included	-
Between 3 million and 3.5 million not included	-
Between 3.5 million and 4 million not included	-
Between 4 million and 4.5 million not included	-
Between 4.5 million and 5 million not included	-
Between 5 million and 6 million not included	-
Between 6 million and 7 million not included	-
Between 7 million and 8 million not included	-

TABLE 89: BREAKDOWN OF THE IDENTIFIED POPULATION BY AREA OF ACTIVITY (EU REM5)

	Management			**Area of activity**					
(in euros) **At 12/31/2023**	**Management body – Supervisory function**	**Management body – Management function**	**Management body as a whole**	**Investment banking**	**Retail bank**	**Asset mana-gement**	**Independent internal control functions**	**Cross-functional functions**	**Other**
TOTAL NUMBER OF MEMBERS FROM THE IDENTIFIED POPULATION					**865**				
Including members of management	160	154	314						
Including members of Executive Management				18	95	4	0	57	16
Including other members of the identified population				94	79	2	114	67	5
TOTAL COMPENSATION OF THE IDENTIFIED POPULATION	**€5,126,465**	**€58,680,307**	**€63,806,772**	**€49,109,060**	**€34,597,222**	**€1,677,761**	**€19,625,781**	**€23,104,574**	**€3,162,619**
Of which variable compensation	€0	€8,472,060	€8,472,060	€19,175,342	€3,090,993	€495,500	€1,696,414	€1,516,081	€17,500
Of which fixed compensation	€5,126,465	€50,208,247	€55,334,712	€29,933,718	€31,506,229	€1,182,261	€17,929,367	€21,588,493	€3,145,119

APPENDICES

MAIN FEATURES OF CAPITAL INSTRUMENTS (CET1)

Issuer	Crédit Mutuel Alliance Fédérale – Caisse Fédérale de Crédit Mutuel	Crédit Mutuel Alliance Fédérale – Caisse Fédérale de Crédit Mutuel
Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	969500LFTDNMONT2EP08	969500LFTDNMONT2EP08
Law governing the instrument	Law No. 47-1775 of September 10, 1947 on the constitution of cooperatives and Article L.512-1 of the French Monetary and Financial Code	Law No. 47-1775 of September 10, 1947 on the constitution of cooperatives and Article L.512-1 of the French Monetary and Financial Code
REGULATORY TREATMENT		
CRR transitional rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
Post-transition CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and (sub-)consolidated	Individual and (sub-)consolidated
Type of instrument (to be specified for each jurisdiction)	Type A shares – list published by the EBA (Article 26, paragraph 3 of the CRR)	Type B shares – list published by the EBA (Article 26, paragraph 3 of the CRR)
Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€259.87m	€7,708.02m
Nominal value of the instrument	€15	€1
Issue price	€15	€1
Redemption amount	€15	€1
Accounting classification	Shareholders' equity	Shareholders' equity
Initial issue date	Variable	Variable
Perpetual or fixed term	Perpetual	Perpetual
Initial maturity	N/A	N/A
Issuer call option subject to prior approval by the supervisory authority	No	No
Optional call option exercise date, conditional call option exercise date and call price	N/A	N/A
Subsequent dates of exercise of the call option, if applicable	N/A	N/A
Coupons/dividends		
Fixed or floating dividend/coupon	N/A	Floating
Coupon rate and any associated index	N/A	N/A
Existence of a dividend suspension mechanism (dividend stopper)	No	No
Full discretion, partial discretion or mandatory (in terms of timing)	Full discretion	Full discretion
Full discretion, partial discretion or mandatory (in terms of amount)	Full discretion	Full discretion
Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
Cumulative or non-cumulative	Non-cumulative	Non-cumulative

Issuer	Crédit Mutuel Alliance Fédérale – Caisse Fédérale de Crédit Mutuel	Crédit Mutuel Alliance Fédérale – Caisse Fédérale de Crédit Mutuel
Convertible or non-convertible	Non-convertible	Non-convertible
if convertible, conversion trigger	N/A	N/A
if convertible, fully or partially	N/A	N/A
if convertible, conversion rate	N/A	N/A
if convertible, mandatory or optional conversion	N/A	N/A
if convertible, type of instrument to be converted into	N/A	N/A
if convertible, issuer of the instrument to which the conversion takes place	N/A	N/A
Capital reduction characteristics	Yes	Yes
if reduction, reduction trigger	By decision of the Shareholders' Meeting or, in case of resolution, by decision of the Resolution College of the ACPR pursuant to its powers under Article L.613-31-16 of the French Monetary and Financial Code	By decision of the Shareholders' Meeting or, in case of resolution, by decision of the Resolution College of the ACPR pursuant to its powers under Article L.613-31-16 of the French Monetary and Financial Code
if reduction, total or partial	Full or partial write-down	Full or partial write-down
if reduction, permanent or temporary	Permanent	Permanent
if provisional capital reduction, description of the capital increase mechanism	N/A	N/A
Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Lower rank than all other claims	Lower rank than all other claims
Existence of non-compliant characteristics	No	No
if yes, specify non-compliant characteristics	N/A	N/A

N/A: not applicable.

MAIN FEATURES OF CAPITAL INSTRUMENTS (AT1)

Since the transition to CRR2 on January 1, 2022, Crédit Mutuel Alliance Fédérale no longer has any AT1-eligible instrument or AT1 instrument benefiting from a grandfather clause allowing it to be downgraded to Tier 2.

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0000584377	FR0000165847
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated and sub-consolidated	Consolidated and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Perpetual subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Perpetual progressive-interest subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€17.80m	€0.69m
9	Nominal value of the instrument	€18.96m	€7.25m
9a	Issue price	€18.96m	€7.25m
9b	Redemption amount	€18.96m	€7.25m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	07/20/1987	12/26/1990
12	Perpetual or fixed term	Perpetual	Perpetual
13	Initial maturity	Without maturity	Without maturity
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Partial or total call option at the issuer's request: for a period of 45 days from 07/20/1994 at 101% of the nominal value + accrued interest	■ Partial or total call option at the issuer's request: on 12/26/1999 at par
16	Subsequent dates of exercise of the call option, if applicable	For a period of 45 days from each interest payment date after 07/20/1994	On each interest payment date after 12/26/1999

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MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	Average of the last 12 TMEs +0.25%	P1C +1.75% for interest payable each year since 2006
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Partial discretion	Partial discretion
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	N/A	N/A
25	if convertible, fully or partially	N/A	N/A
26	if convertible, conversion rate	N/A	N/A
27	if convertible, mandatory or optional conversion	N/A	N/A
28	if convertible, type of instrument to be converted into	N/A	N/A
29	if convertible, issuer of the instrument to which the conversion takes place	N/A	N/A
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	N/A	N/A
32	if reduction, total or partial	N/A	N/A
33	if reduction, permanent or temporary	N/A	N/A
34	if provisional capital reduction, description of the capital increase mechanism	N/A	N/A
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	N/A	N/A

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	XS1069549761	XS1288858548
3	Law governing the instrument	English unless subordination	English unless subordination
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€77.03m	€339.73m
9	Nominal value of the instrument	€1,000.00m	€1,000.00m
9a	Issue price	€991.43m	€990.84m
9b	Redemption amount	€1,000.00m	€1,000.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/21/2014	09/11/2015
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/21/2024	09/11/2025
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event or tax deduction event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par ■ Call option for the entire issue in the event of gross-up event: at any time at par	■ Call option for the entire issue in the event of tax (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any associated index	0.03	0.03
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	XS1385945131	XS1512677003
3	Law governing the instrument	English unless subordination	English unless subordination
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€446.03m	€398.52m
9	Nominal value of the instrument	€1,000.00m	€700.00m
9a	Issue price	€990.98m	€695.09m
9b	Redemption amount	€1,000.00m	€700.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	11/04/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	11/04/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any associated index	2.375%	1.875%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	XS1587911451	XS1717355561
3	Law governing the instrument	English unless subordination	English unless subordination
	REGULATORY TREATMENT		
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€324.93m	€387.67m
9	Nominal value of the instrument	€500.00m	€500.00m
9a	Issue price	€497.62m	€495.72m
9b	Redemption amount	€500.00m	€500.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	11/15/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	11/15/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

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MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any associated index	0.02625	1.625%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	XS1824240136	FR0013425162
3	Law governing the instrument	English unless subordination	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€440.27m	€1,000.00m
9	Nominal value of the instrument	€500.00m	€1,000.00m
9a	Issue price	€499.43m	€996.84m
9b	Redemption amount	€500.00m	€1,000.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	06/18/2019
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	06/18/2029
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any associated index	0.025	0.01875
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0014006KD4	FR0011828235
3	Law governing the instrument	French	French
	REGULATORY TREATMENT		
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€750.00m	€0.28m
9	Nominal value of the instrument	€750.00m	€5.00m
9a	Issue price	€744.66m	€5.00m
9b	Redemption amount	€750.00m	€5.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/19/2021	04/10/2014
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	11/19/2031	04/10/2024
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed to floating
18	Coupon rate and any associated index	0.01125	4% then Min (4.5%; Max (3%; CMS10years)
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0011927037	FR0012046860
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€0.59m	€0.23m
9	Nominal value of the instrument	€7.00m	€2.00m
9a	Issue price	€7.00m	€2.00m
9b	Redemption amount	€7.00m	€2.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	06/03/2014	07/29/2014
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	06/03/2024	07/29/2024
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed to floating	Floating
18	Coupon rate and any associated index	3.15% then Min (6%; Max (3,15%; CMS10years)	130%* CMS10years
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0012033926	FR0012112605
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€1.33m	€0.41m
9	Nominal value of the instrument	€11.1m	€3.00m
9a	Issue price	€12.1m	€3.00m
9b	Redemption amount	€12.1m	€3.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	08/06/2014	09/03/2014
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	08/06/2024	09/03/2024
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and any associated index	3.10% then Min (5%; Max (3.10%; CMS10years)	3.10% then Min (5%; Max (3.10%; CMS10years)
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0012187078	FR0012187086
3	Law governing the instrument	French	French
	REGULATORY TREATMENT		
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€0.79m	€0.55m
9	Nominal value of the instrument	€5.00m	€3.50m
9a	Issue price	€5.00m	€3.50m
9b	Redemption amount	€5.00m	€3.50m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	10/15/2014	10/15/2014
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	10/15/2024	10/15/2024
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and any associated index	3% then Min (4.5%; Max (3%; CMS10years)	3% then Min (4.5%; Max (3%; CMS10years)
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0012303246	FR0011781061
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€0.73m	€59.77m
9	Nominal value of the instrument	€4.00m	€120.00m
9a	Issue price	€4.00m	€118.51m
9b	Redemption amount	€4.00m	€120.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/28/2014	03/10/2014
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	11/28/2024	06/27/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed
18	Coupon rate and any associated index	2.6% then Min (4%; Max (2.6%; CMS10years)	4.25%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0012304442	FR0012618320
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€32.76m	€5.52m
9	Nominal value of the instrument	€55.00m	€22.00m
9a	Issue price	€55.00m	€22.00m
9b	Redemption amount	€55.00m	€22.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	12/22/2014	04/02/2015
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	12/22/2026	04/02/2025
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed to floating
18	Coupon rate and any associated index	3.40%	1.9% then Min (3.75%; Max (1.90%; CMS10years)
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0012632495	FR0012616894
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€0.75m	€26.59m
9	Nominal value of the instrument	€3.00m	€40.00m
9a	Issue price	€3.00m	€40.00m
9b	Redemption amount	€3.00m	€40.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	04/02/2015	04/27/2015
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	04/02/2025	04/27/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed
18	Coupon rate and any associated index	1.9% then Min (3.75%; Max (1.80%; CMS10years)	2.75%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0012767267	FR0013073764
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€8.53m	€50.00m
9	Nominal value of the instrument	€30.00m	€50.00m
9a	Issue price	€30.00m	€50.00m
9b	Redemption amount	€30.00m	€50.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	06/01/2015	12/23/2015
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	06/02/2025	12/23/2030
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and any associated index	1.35% then Min (3.10%; Max (1.35%; CMS10years)	4% then EURIBOR6M +1.78%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	No
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR0013201431	FR001400AY79
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Consolidated	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€162.08m	€1,250.00m
9	Nominal value of the instrument	€300.00m	€1,250.00m
9a	Issue price	€295.79m	€1,249.55m
9b	Redemption amount	€300.00m	€1,250.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	09/12/2016	06/16/2022
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	09/12/2026	06/16/2032
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ At any time in the event of the occurrence of an equity event, withholding tax or gross-up ■ From a date 5 years after the issue, the issuer may repurchase the subordinated notes	■ Purchase option on 06/16/2027 at par + Repurchase option for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any associated index	2.13%	3.88%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	No	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

1	Issuer	Banque Fédérative du Crédit Mutuel
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	FR001400F323
3	Law governing the instrument	French
REGULATORY TREATMENT		
4	Transitional CRR rules (including additional CRR2)	Tier 2 capital
5	Post-transitional CRR rules (including additional CRR2)	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€1,250.00m
9	Nominal value of the instrument	€1,250.00m
9a	Issue price	€1,243.23m
9b	Redemption amount	€1,250.00m
10	Accounting classification	Liabilities – Amortized cost
11	Initial issue date	01/13/2023
12	Perpetual or fixed term	Fixed term
13	Initial maturity	01/13/2033
14	Issuer call option subject to prior approval by the supervisory authority	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call for the entire issue in case of tax events impacting the coupon payment (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	Banque Fédérative du Crédit Mutuel
COUPONS/DIVIDENDS		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any associated index	5.13%
19	Existence of a dividend suspension mechanism (dividend stopper)	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	Mandatory
22	Cumulative or non-cumulative	n/a
23	Convertible or non-convertible	No
24	if convertible, conversion trigger	n/a
25	if convertible, fully or partially	n/a
26	if convertible, conversion rate	n/a
27	if convertible, mandatory or optional conversion	n/a
28	if convertible, type of instrument to be converted into	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a
30	Capital reduction characteristics	No
31	if reduction, reduction trigger	n/a
32	if reduction, total or partial	n/a
33	if reduction, permanent or temporary	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Non-Preferred Senior Debt
36	Existence of non-compliant characteristics	n/a
37	if yes, specify non-compliant characteristics	n/a

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To connect young victims of bullying with their communities, the Crédit Mutuel Alliance Fédérale Foundation is mobilizing to support the **Centres Relier**, enabling them to deploy their actions to break isolation, avoid social disengagement and prevent risky behavior.

6

Consolidated Financial Statements of Crédit Mutuel Alliance Fédérale

6.1 CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

6.1.1 Balance sheet

Balance sheet (assets)

(in € millions)	12/31/2023	12/31/2022 restated	01/01/2022	Notes
Cash and central banks	97,504	111,929	121,181	4
Financial assets at fair value through profit or loss	33,892	29,264	22,356	5a
Hedging derivatives	1,525	4,226	1,293	6a
Financial assets at fair value through equity	37,147	34,522	32,095	7
Securities at amortized cost	3,825	3,436	3,674	10a
Loans and receivables due from credit institutions and similar at amortized cost	66,843	57,173	60,915	10b
Loans and receivables due from customers at amortized cost	521,951	502,097	444,825	10c
Revaluation adjustment on rate-hedged books	-2,086	-6,904	1,083	6b
Financial investments of insurance activities	130,997	122,096	136,641	13a, 13b
Insurance contracts issued - Assets	15	18	26	13a, 13b
Reinsurance contracts held - Assets	312	328	277	13a, 13b
Current tax assets	1,662	1,559	1,249	14a
Deferred tax assets	1,131	1,232	1,301	14b
Accruals and miscellaneous assets	10,530	9,540	9,475	15a
Non-current assets held for sale	0	4,897	107	3c
Investments in equity consolidated companies	798	775	533	16
Investment property	311	298	61	17
Property, plant and equipment	4,131	3,978	3,741	18a
Intangible assets	690	740	739	18b
Goodwill	2,351	2,351	3,140	19
TOTAL ASSETS	**913,530**	**883,555**	**844,712**	**-**

Balance sheet (liabilities)

(in € millions)	12/31/2023	12/31/2022 restated	01/01/202	Notes
Central banks	31	44	605	4
Financial liabilities at fair value through profit or loss	17,940	18,772	12,080	5b
Hedging derivatives	2,003	2,502	1,874	6a
Debt securities at amortized cost	150,692	135,072	121,116	11a
Due to credit and similar institutions at amortized cost	50,034	70,182	78,397	11b
Due to customers at amortized cost	481,095	456,983	425,197	11c
Revaluation adjustment on rate-hedged books	-27	-14	13	6b
Current tax liabilities	759	581	774	14a
Deferred tax liabilities	501	525	835	14b
Accruals and miscellaneous liabilities	13,958	14,045	12,762	15b
Debt related to non-current assets held for sale	0	3,622	0	3c
Insurance contracts issued - liabilities	119,184	109,564	124,615	13c, 13d
Reinsurance contracts held - liabilities	0	0	0	13c, 13d
Provisions	3,477	3,408	3,894	20.
Subordinated debt at amortized cost	11,502	9,861	8,956	21
Total shareholders' equity	**62,379**	**58,408**	**53,596**	**-**
Shareholders' equity – Attributable to the group	**60,364**	**56,483**	**50,464**	**-**
Capital and related reserves	8,063	8,366	6,905	22a
Consolidated reserves	48,172	44,882	39,773	22a
Gains and losses recognized directly in equity	188	-80	543	22b
Profit (loss) for the period	3,942	3,315	3,243	-
Shareholders' equity – Non-controlling interests	**2,015**	**1,925**	**3,132**	**-**
TOTAL LIABILITIES	**913,530**	**883,555**	**844,712**	**-**

6.1.2 Income statement

Income statement

(in € millions)	12/31/2023	12/31/2022 restated	Notes
Interest and similar income	32,259	15,660	24
Interest and similar expenses	-23,762	-7,657	24
Commissions (income)	6,203	6,169	25
Commissions (expenses)	-1,618	-1,622	25
Net gains on financial instruments at fair value through profit or loss	809	700	26
Net gains or losses on financial assets at fair value through shareholders' equity	-159	-137	27
Net gains or losses resulting from derecognition of financial assets at amortized cost	0	0	28
Income from insurance contracts issued	7,098	6,900	29,29a
Expenses related to insurance contracts issued	-5,760	-5,662	29,29a
Income and expenses related to reinsurance contracts held	-34	88	29
Financial income or financial expenses from insurance contracts issued	-5,736	2,680	29
Financial income or expenses related to reinsurance contracts held	3	1	29
Net income from financial investments related to insurance activities	5,787	-2,636	29b
Income from other activities	1,609	1,737	30
Expenses on other activities	-639	-595	30
Net revenue	**16,060**	**15,625**	**-**
General operating expenses	-8,364	-7,859	31, 31a, 31b, 31d
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-810	-750	31, 31c
Gross operating income	**6,887**	**7,015**	**-**
Cost of counterparty risk	-1,296	-768	32
Operating income	**5,591**	**6,247**	**-**
Share of net income of equity consolidated companies	26	0	16
Net gains and losses on other assets	45	-222	33
Changes in the value of goodwill	0	-971	34
Income before tax	**5,661**	**5,054**	**-**
Income taxes	-1,546	-1,569	35
Net income	**4,115**	**3,485**	**-**
Income – Non-controlling interests	174	170	-
NET INCOME ATTRIBUTABLE TO THE GROUP	**3,942**	**3,315**	**-**

Statement of net income and gains and losses recognized directly in equity

(in € millions)	12/31/2023	12/31/2022 restated
Net income	**4,115**	**3,485**
Translation adjustments	-12	71
Revaluation of financial assets at fair value through equity – capital instruments	38	-174
Reclassification of financial assets from fair value through equity to fair value through profit or loss	-	-
Revaluation of equity instruments recognized at fair value through equity of insurance activities	2,531	-9,924
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity	-2,440	8,826
Remeasurement of hedging derivatives	-25	21
Share of unrealized or deferred gains and losses of associates	-7	-2
Total recyclable gains and losses recognized directly in equity	**85**	**-1,181**
Revaluation of financial assets at fair value through equity – equity instruments at closing	-83	-4
Revaluation of financial assets at fair value through equity – equity instruments sold during the year	-1	0
Revaluation of equity instruments recognized at fair value through equity of insurance activities	401	128
Impact of revaluation of VFA insurance contracts - non-recyclable	15	-68
Revaluation differences related to own credit risk on financial liabilities under FVO	-	-
Revaluation of non-current assets	-	-
Actuarial gains and losses on defined benefit plans	-96	297
Share of non-recyclable gains and losses of equity consolidated companies	-1	0
Total non-recyclable gains and losses recognized directly in equity	**235**	**354**
Net income and gains and losses recognized directly in shareholders' equity	**4,436**	**2,657**
o/w attributable to the group	*4,210*	*2,692*
o/w percentage of non-controlling interests	*226*	*-35*

The terms relating to gains and losses recognized directly in equity are presented for the amount net of tax.

6.1.3 Changes in shareholders' equity

				Gains and losses recognized directly in equity							
(in € millions)	Capital	Premiums	Reserves [1]	Translation adjustments	Assets at fair value through equity	Derivative hedging instruments	Actuarial gains and losses	Group net income	Shareholders' equity attributable to the group	Non-controlling interests	Total consolidated shareholders' equity
Shareholders' equity as of December 31, 2021	**6,905**	**0**	**38,904**	**42**	**1,439**	**2**	**-383**	**3,243**	**50,152**	**3,059**	**53,211**
Impacts of IFRS 17 and IFRS 9 insurance	-	-	869	-	-557	-	-	-	312	73	385
Shareholders' equity as of January 1, 2022	**6,905**	**0**	**39,773**	**42**	**882**	**2**	**-383**	**3,243**	**50,463**	**3,132**	**53,596**
Appropriation of earnings from previous year	-	-	3,243	-	-	-	-	-3,243	0	-	0
Capital increase	33	-	-	-	-	-	-	-	33	-	33
Distribution of dividends	-	-	-80	-	-	-	-	-	-80	-50	-130
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**33**	**0**	**3,163**	**0**	**0**	**0**	**0**	**-3,243**	**-47**	**-50**	**-97**
Consolidated income for the period	-	-	-	-	-	-	-	3,315	3,315	170	3,485
Changes in gains and (losses) recognized directly in equity	-	-	0	76	-1,005	17	288	-	-623	-204	-828
Subtotal	**0**	**0**	**0**	**76**	**-1,005**	**17**	**288**	**3,315**	**2,692**	**-35**	**2,657**
Effects of acquisitions and disposals on non-controlling interests[2]	-	-	-20	-	-	-	-	-	-20	-32	-52
Other changes[3]	1,428	0	1,967	-	-	-	-	-	3,394	-1,090	2,304
Shareholders' equity as of December 31, 2022	**8,366**	**0**	**44,882**	**118**	**-123**	**19**	**-95**	**3,315**	**56,483**	**1,925**	**58,408**
Appropriation of earnings from previous year	-	-	3,315	-	-	-	-	-3,315	0	-	0
Capital increase	-303	-	-	-	-	-	-	-	-303	-	-303
Distribution of dividends	-	-	-161	-	-	-	-	-	-161	-121	-282
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**-303**	**0**	**3,154**	**0**	**0**	**0**	**0**	**-3,315**	**-464**	**-121**	**-585**
Consolidated income for the period	-	-	-	-	-	-	-	3,942	3,942	174	4,115
Changes in gains and (losses) recognized directly in equity	-	-	0	-14	397	-20	-95	-	268	52	320
Subtotal	**0**	**0**	**0**	**-14**	**397**	**-20**	**-95**	**3,942**	**4,210**	**226**	**4,435**
Impacts of acquisitions and disposals on non-controlling interests[2]	-	-	133	-	-	-	-	-	133	-15	118
Other changes	-	0	3	-	-	-	-	-	3	1	3
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2023	**8,063**	**0**	**48,172**	**105**	**274**	**-1**	**-189**	**3,942**	**60,364**	**2,015**	**62,379**

(1) The total reserves at December 31, 2023 amounted to €48,172 million and consisted of the legal reserve for €512 million, other reserves for €9,340 million, and consolidated reserves for €38,320 million.

(2) Concerns the discounting of the debt related to the Cofidis put as well as the recognition of a put at the Press division level and the inclusion of Caroline 1 in the scope of consolidation.

(3) Mainly related to the entry of the Crédit Mutuel Nord Europe federation into the consolidated scope on January 1, 2022.

6.1.4 Cash flow statement

	12/31/2023	12/31/2022 restated
Net income	4,115	3,485
Taxes	1,546	1,569
Income before tax	**5,661**	**5,054**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	754	746
- Impairment of goodwill and other fixed assets	27	971
+/- Net provisions and impairments	596	-359
+/- Share of income from companies consolidated using the equity method	-26	0
+/- Net loss/gain from investing activities	372	-53
+/- (Income)/expenses from financing activities		0
+/- Other movement	9,203	-9,166
= Total non-monetary items included in net income before tax and other adjustments	**10,926**	**-7,862**
+/- Flows related to transactions with credit institutions	-27,083	-1,401
+/- Flows related to client transactions	3,927	-28,496
+/- Flows related to other transactions affecting financial assets or liabilities	-10,318	20,122
+/- Flows related to other transactions affecting non-financial assets or liabilities	-3,308	-2,464
- Taxes paid	-1,368	-1,793
= Net decrease/(increase) in assets and liabilities from operating activities	**-38,150**	**-14,032**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**-21,563**	**-16,840**
+/- Flows related to financial assets and investments	-368	401
+/- Flows related to investment property	-371	21
+/- Flows related to property, plant and equipment and intangible assets	-833	-717
TOTAL NET CASH FLOW RELATED TO INVESTING ACTIVITIES (B)	**-1,572**	**-295**
+/- Cash flow to or from shareholders	-250	-99
+/- Other net cash flows from financing activities	8,465	7,631
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	**8,215**	**7,532**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**-20**	**345**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-14,940**	**-9,257**
Net cash flow generated from operating activities (A)	-21,563	-16,840
Net cash flow related to investing activities (B)	-1,572	-295
Net cash flow related to financing transactions (C)	8,215	7,532
Effect of foreign exchange rate changes on cash and cash equivalents (D)	-20	345
Cash and cash equivalents at opening	**108,291**	**117,548**
Cash, central banks (assets and liabilities)	111,875	120,577
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-3,584	-3,029
Cash and cash equivalents at closing	**93,351**	**108,291**
Cash, central banks (assets and liabilities)	97,444	111,875
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-4,093	-3,584
CHANGE IN NET CASH POSITION	**-14,940**	**-9,257**

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

SUMMARY OF NOTES

Figures in the notes are presented in millions of euros.

Note 1 Accounting policies and principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on their adoption of said standards, the consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union at December 31, 2023.

The full framework is available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements.

The financial statements are presented in the format recommended by the *Autorité des normes comptables* (ANC - French Accounting Standards Authority) Recommendation No. 2022-01 on IFRS Summary Financial Statements [1]. They comply with international accounting standards as adopted by the European Union.

Information on risk management is included in the group's management report.

Amendments applicable from January 1, 2023

Since January 1, 2023, the group has applied the amendments adopted by the European Union and the IFRIC decision as presented below:

Amendments to IAS 1 – Disclosure of accounting methods

It clarifies the information to provide on "significant" accounting methods. They are considered significant when, taken together with other information from the financial statements, it is possible to reasonably expect them to influence the decisions of the financial statements' main users.

Amendments to IAS 8 – Definition of accounting estimates

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

They represent the amounts in the financial statements whose assessment is uncertain.

Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The OECD's Pillar 2 rules, taken up by Directive 2022/2523 and transposed into the Finance Act 2024, are intended to establish a minimum level of worldwide taxation for multinational and large-scale national corporate groups in the European Union.

Under these rules, an additional tax would be payable if the effective tax rate under the OECD's Global Anti-Base Erosion (GLoBe) rules by jurisdiction is less than 15%.

The amendment to IAS 12 provides for a mandatory temporary exemption from the recognition of deferred taxes related to Pillar 2. A project has been launched for 2023 to draw up a list of jurisdictions and estimate the current income tax expense linked to Pillar 2 from 2024. To date, the Group does not anticipate any significant impact from this tax reform.

Application to IFRS 17 and IFRS 9 to insurance activities

Since January 1, 2023, the group has applied IFRS 17 - Insurance contracts and IFRS 9 - Financial instruments for its insurance activities.

Details of the IFRS 9 and IFRS 17 principles applied by the group are presented in the "Accounting principles and assessment methods" section.

Application of IFRS 17

IFRS 17 is applied retrospectively. It imposes a transition date corresponding to the beginning of the fiscal year immediately preceding the date of first application, namely January 1, 2022.

The retrospective measurement of these assets and liabilities at transition, and notably of the various portfolios of insurance contracts, may be subject to alternative approaches when the historical information necessary for a fully retrospective application is not available.

Thus, the group applies a modified retrospective approach for the majority of insurance contract portfolios, which makes it possible, based on reasonable information available without excessive cost or effort, to obtain valuations that come as close as possible to those that would result from the full retrospective application of the standard.

The differences in the valuation of insurance assets and liabilities resulting from the retrospective application of IFRS 17 as of January 1, 2022 are presented directly in shareholders' equity.

Application of the modified retrospective approach

The objective of the modified retrospective approach is to arrive at a result that is as close as possible to the result that would have been obtained by applying the full retrospective approach, based on reasonable and supportable information that can be obtained without incurring undue cost or effort.

As a result, the entities concerned have applied the modified retrospective approach to the majority of existing contract portfolios, both in personal insurance (particularly borrower insurance) and in life insurance.

The simplifications used depend on the availability of the necessary information for the portfolios in question.

For the purpose of calculating the CSM at the transition date, the group has elected to use the modified retrospective method rather than the fair value approach, provided that the modified retrospective approach is not impracticable. **The modified retrospective approach is deemed practicable as from the 2012 fiscal year.**

(1) *It should be noted that the group has chosen to group the financial instruments carried by its insurance divisions, in a different way from that proposed by the Recommendation. See Section 2.2 "Insurance activities".*

Portfolios modeled under to the general measurement model

For contracts measured using the general measurement model, the principle of the modified retrospective approach is to reconstitute liabilities at the initial recognition date on the basis of their measurement at the transition date, by retrospectively reconstituting movements between the two dates, with the following simplifications:

- original cash flows are estimated by adding to the amount at the transition date the actual cash flows recognized between the two dates;
- the discount rate at inception can be determined using yield curves simulating those at the initial recognition date;
- changes in the adjustment for non-financial risk between the original date and the transition date can be estimated on the basis of observed slack periods on similar contracts.

For the liability for remaining coverage thus reconstituted at the original date, the initial contractual service margin (if any) is amortized on the basis of services rendered over the period prior to transition in order to determine the amount of contractual service margin remaining at that date.

When contracts are combined into a single group at the transition date, the discount rate at that date can be used.

When the option of allocating financial changes between income and shareholders' equity is chosen, the amount recorded in shareholders' equity at the transition date is reconstituted on the basis of the original rate in the case of liability for remaining coverage, and the rate at the date of the claim in the case of liability for incurred claims.

Where such reconstitution is not possible, the amount recognized in shareholders' equity is nil.

The group has chosen to retain only certain simplifications proposed by the MRA, notably the approximation of cash flows by actual past cash flows and the approximation of the risk adjustment. Groups of annual contracts from 2012 to 2021 have been reconstituted, and the calculation of the revaluation in recyclable equity for changes in discount rates has been carried out retrospectively, without simplification.

Portfolios modeled under to the simplified model

In the case of contracts valued under the simplified model or Premium Allocation Approach ("PAA"), the provisions for remaining cover have been determined at transition on the basis of the former provisions for unearned premiums, gross of acquisition costs, as the group has opted to recognize acquisition costs as expenses.

Reserves for claims incurred corresponding to these contracts are made up of expected cash flows and the adjustment for non-financial risk at the transition date. The amount recognized in recyclable equity at the transition date in respect of changes in discount rates has been reconstituted on the basis of historical rates.

Portfolios modeled according to the VFA model

For life insurance contracts valued using the variable fee approach, the modified retrospective approach also involves reconstituting the liability at the original date, starting from the liability at the transition date. However, for the liability for remaining coverage, the standard requires that the contractual service margin at the transition date be determined using the following approach:

- from the realizable value of the underlying assets at the transition date are first deducted the fulfillment cash flows (discounted cash flows and risk adjustment) at that same date;
- to this amount are added the proceeds drawn from policyholders, changes in the risk adjustment and deducted the acquisition costs paid over the intervening period;
- the contractual service margin net of acquisition costs thus reconstituted at inception is then amortized up to the transition date to reflect services rendered to that date, together with acquisition costs still to be amortized.

To implement this approach, the main simplifications were as follows:

- existing contracts have been grouped according to the post-transition segmentation, without division by annual cohorts, in line with the choice of the exception provided for in the European regulation;
- the **contractual** service margin at the transition date was reconstituted as follows:
  - on the basis of the market value of the underlying assets (see above), less the fulfillment cash flows at the transition date,
  - by adding past margins derived from historical data (accounting or management), which have been re-calibrated up to the transition date (using the same approach, taking into account the "over-return" on assets, as will be used after the transition), and
  - deducting acquisition costs still to be amortized,
  - the amount recorded in recyclable equity at the transition date in respect of the accounting mismatch adjustment was determined using the realizable value of the underlying assets recognized in recyclable equity at the transition date, as required by the standard.

Application of IFRS 9

As the group deferred the application of IFRS 9, for the group's insurance entities, until the date of application of IFRS 17, IFRS 9 was applied at January 1, 2023.

To be consistent with the transition procedures of IFRS 17, and in order to provide more relevant information, the group restated the comparative data for the 2022 fiscal year relating to the relevant financial instruments of its insurance entities (including financial instruments derecognized in 2022).

The group opted for the application of the so-called “overlay” approach to recognize asset disposals for the 2022 fiscal year, as if these disposals had been recognized under IFRS 9, in accordance with the amendment relating to the presentation of IFRS 9-IFRS 17, adopted by the EU in September 2022.

This overlay approach makes it possible to standardize the impact of the transition on consolidated shareholders' equity under IFRS 9 and IFRS 17 at January 1, 2022.

The valuation differences of the financial assets and liabilities concerned, and the impairment for credit risk and gains and losses recognized directly in equity resulting from the retrospective application of IFRS 9 at January 1, 2022, will be presented directly in shareholders' equity.

Other impacts related to the application of IFRS 17

With effect from the first-time application of IFRS 17, the group has applied the amendments to IAS 40 and IAS 16 resulting from IFRS 17, leading to the measurement at market value through profit or loss of properties held as underlying items in direct participating contracts.

Impacts of the application of IFRS 17 and IFRS 9 at December 31, 2022

The main impacts of the application of IFRS 17 and IFRS 9 at December 31, 2022 for insurance entities were as follows:

BALANCE SHEET (ASSETS)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9 and other	12/31/2022 published
Cash and central banks	111,929	0	111,929
Financial assets at fair value through profit or loss	29,264	0	29,264
Hedging derivatives	4,226	0	4,226
Financial assets at fair value through equity	34,522	0	34,522
Securities at amortized cost	3,436	0	3,436
Loans and receivables due from credit institutions and similar at amortized cost	57,173	0	57,173
Loans and receivables due from customers at amortized cost	502,097	0	502,097
Revaluation adjustment on rate-hedged books	-6,904	0	-6,904
Financial investments of insurance activities	122,095	-580	122,675
Insurance contracts issued - Assets	18	18	-
Reinsurance contracts held - Assets	328	328	-
Current tax assets	1,559	2	1,557
Deferred tax assets	1,233	-1,004	2,237
Accruals and miscellaneous assets	9,540	-42	9,582
Non-current assets held for sale	4,897	-89	4,986
Postponed profit sharing	-	-48	48
Investments in equity consolidated companies	775	-15	790
Investment property	298	0	298
Property, plant and equipment	3,978	-101	4,079
Intangible assets	740	0	740
Goodwill	2,351	-2	2,353
TOTAL ASSETS	**883,555**	**-1,532**	**885,087**

BALANCE SHEET (LIABILITIES)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9 and other	12/31/2022 published
Central banks	44	0	44
Financial liabilities at fair value through profit or loss	18,772	0	18,772
Hedging derivatives	2,502	0	2,502
Due to credit and similar institutions at amortized cost	70,182	6,965	63,217
Due to customers at amortized cost	456,983	0	456,983
Debt securities at amortized cost	135,072	0	135,072
Revaluation adjustment on rate-hedged books	-14	0	-14
Current tax liabilities	581	-103	684
Deferred tax liabilities	525	-355	880
Accruals and miscellaneous liabilities	14,045	47	13,998
Debt related to non-current assets held for sale	3,622	-98	3,720
Liabilities related to insurance contracts	-	-120,121	120,121
Insurance contracts issued - liabilities	109,563	109,563	-
Reinsurance contracts held - liabilities	0	0	-
Provisions	3,408	1	3,407
Subordinated debt at amortized cost	9,861	910	8,951
Total shareholders' equity	**58,409**	**1,661**	**56,748**
Shareholders' equity – Attributable to the group	**56,483**	**1,459**	**55,024**
Capital and related reserves	8,366	0	8,366
Consolidated reserves	44,882	880	44,002
Gains and losses recognized directly in equity	-80	592	-672
Profit (loss) for the period	3,315	-14	3,329
Shareholders' equity – Non-controlling interests	**1,926**	**202**	**1,724**
TOTAL LIABILITIES	**883,555**	**-1,532**	**885,087**

(in € millions)	**12/31/2022 restated**	**Impact IFRS 17/9 and other**	**12/31/2022 published**
Net interest margin	8,002	-1	8,003
Commissions	4,547	16	4,531
Net gains and losses on derecognition of financial assets	563	0	563
Insurance service result	1,371	-1,793	3,164
Income/expenses generated from other activities	1,142	63	1,079
Net revenue	**15,625**	**-1,715**	**17,340**
General operating expenses	-8,610	1,718	-10,328
Gross operating income	**7,015**	**3**	**7,012**
Cost of risk	-768	0	-768
Operating income	**6,247**	**3**	**6,244**
Other comprehensive income	-1,193	-8	-1,185
Income taxes	-1,569	-13	-1,556
Net income	**3,485**	**-18**	**3,503**
Income – Non-controlling interests	170	-4	174
NET INCOME ATTRIBUTABLE TO THE GROUP	**3,315**	**-14**	**3,329**

The main transition effects related to IFRS 17 and IFRS 9 as of December 31, 2022 were:

a) The cancellation of insurance assets and liabilities under IFRS 4:

- in assets for €1,752 million, of which €402 million for reinsurance assets held, mainly technical reserve within "Financial investments of insurance activities";
- in liabilities for €120,121 million, of which €112,004 million in respect of insurance liabilities issued, mainly mathematical reserves within "Insurance contract liabilities issued".

b) The recognition of insurance and reinsurance assets and liabilities:

- as assets for €346 million in "Insurance contracts issued and reinsurance held";
- as liabilities for €109,698 million in "Insurance contracts issued";
- the reclassification of related receivables and payables in the measurement of insurance liabilities and reinsurance assets, previously recognized in "Accruals" and in "Other liabilities".

c) The revaluation of financial assets under "Financial investments of insurance activities" under IFRS 9 for €1,760 million was mainly due to the reclassification of the proprietary trading portfolio at amortized cost.

The group also applied the amendments to IAS 40, resulting from IFRS 17, leading to the valuation at fair value through profit or loss of the properties held as underlying items of direct participating contracts and to recognizing €3,613 million in "Financial investments of insurance activities".

Financial liabilities recognized under IFRS 4 in "Insurance contract liabilities issued" are reclassified in the banking presentation aggregates for €6,965 million, of which €6,965 million in "Due to credit institutions" and €910 million in "Subordinated debt at amortized cost".

d) The application of IFRS 17 and IFRS 9 led to a net deferred tax impact on the group's shareholders' equity of €1,661 million at January 1, 2023.

The transition to IFRS 17 requires including, in the valuation of insurance contracts, distribution and management costs at group level (the employee benefit expense, administrative costs, depreciation & amortization expenses on non-current assets, etc.) directly attributable to the execution of insurance contracts and presenting them in "insurance services expenses" in net revenue.

Thus, future profits are to be presented at the level of the banking and insurance group restated for the internal margin generated by the distributor banking networks.

Impact of the transition on shareholders' equity

The impact of the transition on the insurance and banking scope was as follows at January 1, 2022:

	Accounting shareholders' equity
At 12/31/2021	**53,211**
IFRS 9 impairment	-26
Impact of reclassifications at FVPL	1,110
Effect of reclassifications at FVOCI	650
Impact of reclassifications at amortized cost	0
Deferred tax	-487
Other	7
At 01/01/2022 after application of IFRS 9	**54,464**
FTA IFRS 17	-868
At 01/01/2022	**53,596**

Effect of application of IFRS 17

The impact of the transition from IFRS 17 on shareholders' equity amounted to €446 million at January 1, 2022.

The tables below present the contractual service margin (CSM) determined at the transition date, according to the transition method applied. The first table addresses the CSM relating to insurance contracts issued, while the second table deals with the CSM ceded, for the scope of reinsurance contracts held.

(in € millions)	Full retrospective method	Modified retrospective method	Fair value	Total
i.e. Inventory of CSM at 01/01/2022 transition date	-	5,841	494	6,334

(in € millions)	Full retrospective method	Modified retrospective method	Fair value	Total
Inventory of CSM sold at 01/01/2022 transition date	-	-	60	60

The group applies the option provided for by IFRS 17 under the modified retrospective transition approach allowing the use of the discount rate curve at the January 1, 2022 transition date instead of the original discount rate curve on the date of initial recognition of the insurance contracts.

Impact of the application of IFRS 9 on financial investments of insurance activities

The following table reconciles:

- total financial investments at December 31, 2021, presented in accordance with IAS 39 (online) and total financial investments at January 1, 2022, presented in accordance with IFRS 9;
- impairments recognized in accordance with IAS 39 with provisions for credit risks recognized in accordance with IFRS 9.

At the transition date as of January 1, 2022, the impact of the transition to IFRS 9 is explained by a change in shareholders' equity related to the revaluation at market value of securities previously recognized at amortized cost (excl. tax), which will be classified at fair value through equity.

In addition, IFRS 9 does not result in any reclassification of financial liabilities.

The amount of IFRS 9 impairments at January 1, 2022 on the scope of insurance activities amounted to €26 million.

RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES AND THE IMPACT OF IFRS 9 ON THEIR VALUATION

			Financial assets at fair value through profit or loss		Hedging derivatives	Financial assets at FVOCI		Financial assets at amortized cost	
	Amount at 12/31/2021	**Deconso-lidated insurance entities**	**Amount reclassified / retained**	**Impact IFRS 9**	**Amount reclassified / retained**	**Amount reclassified / retained**	**Impact IFRS 9**	**Amount reclassified / retained**	**Impact IFRS 9**
At 01/01/2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	29,071	322	28,699	-	-	51	0	0	0
Hedging derivatives	0	-	-	-	0	-	-	-	-
Available-for-sale financial assets	90,467	-182	20,106	0	-	70,526	624	17	0
of which impairment	*-1,010*	*0*				*-1,010*	*-43*		
Loans and receivables due from credit institutions	5,898	-3	0	0	-	5,851	-	48	0
of which impairment	-	-	-	-	-	-	*0*	-	*0*
Loans and receivables due from customers	53	0	0	2	-	6	0	46	0
of which impairment	*0*						*0*		*0*
Held-to-maturity financial assets	6,350	1	20	0	-	6,328	0	0	0
of which impairment	*0*								*0*
Amount at 01/01/2022 (IFRS 9)	**131,839**	**138**		**48,827**	**0**		**83,386**		**111**

Companies excluded from the scope of consolidation

Concurrently with the first-time application of IFRS 9 and IFRS 17, the insurance companies listed in the table below have been removed from the scope of consolidation, mainly to simplify the operating process for the preparation of the financial statements, insofar as this proves to be immaterial in terms of the portfolio, financial position and results. The 17 companies concerned include insurance companies, real estate companies and other companies.

Company	Historical consolidation method
SERENIS ASSURANCES	Full Consolidation (FC)
ACM SERVICES	Full Consolidation (FC)
ASTREE	Equity Method (EM)
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Full Consolidation (FC)
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE	Full Consolidation (FC)
ASISTENCIA AVANÇADA BCN, S.L.	Full Consolidation (FC)
AMDIF, S.L.	Full Consolidation (FC)
ATLANTIS ASESORES, SL	Full Consolidation (FC)
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, S.A.	Full Consolidation (FC)
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, S.L.	Full Consolidation (FC)
ICM LIFE	Full Consolidation (FC)
MTRL	Full Consolidation (FC)
PARTNERS	Full Consolidation (FC)
ACM COURTAGE	Full Consolidation (FC)
SCI ACM COTENTIN	Full Consolidation (FC)
SCI ACM TOMBE ISSOIRE	Full Consolidation (FC)

Macroeconomic and geopolitical context

Crédit Mutuel Alliance Fédérale is fully mobilized to face the impacts of the Ukrainian crisis and the context of increased economic uncertainties related to the rise in interest rates, the increase in commodity prices, high inflation, tighter monetary policies and geopolitical tensions resulting from the conflict in the Middle East.

As it does not have branches in Ukraine or Russia, the Crédit Mutuel group does not have teams present in the current areas of conflict; direct exposure in these two countries, as well as in Belarus, is therefore not significant. Furthermore, the group has no assets held by the Central Bank of Russia.

In March 2023, confidence in the financial markets was further weakened by the bankruptcies of several US banks (including the Silicon Valley Bank), the takeover of Crédit Suisse by UBS and the volatility of the price of bank securities. The group's exposures to SVB, UBS and Credit Suisse remain insignificant at group level.

Against this backdrop of great uncertainty, the group constantly monitors the status of its credit commitments, the value of its portfolios, the management of its interest rate risk, and its liquidity. It has a robust governance and risk management system in place.

Credit risk

As part of the provisioning of performing loans (in stages 1 & 2), the Crédit Mutuel group takes into account the impacts of successive crises, as well as the macroeconomic outlook.

The level of provisioning is the result of a case-by-case analysis, carried out in order to monitor any potential increase in the credit risk of professional customers or companies in difficulty, and individual customers, who would be affected, directly or indirectly, in an economic context that remains severely deteriorated.

During 2023, in line with the recommendations issued by the European Banking Authority and the European Central Bank, the group undertook work to overhaul the multi-scenario approach, and *de facto* the methodology for calculating the probability of default used to measure the significant increase in credit risk and the assessment of expected credit losses.

Macroeconomic scenarios

At December 31, 2023, the group has selected three macro-economic scenarios to take account of the uncertainties associated with the current macro-economic context:

- In the central scenario, inflation in France is expected to halve to 2.5% in 2024, in line with the increase in labor supply and the slight rise in the unemployment rate, reaching the 2% target from 2025 onwards. The hypothesis of an economic recession has been ruled out, but growth is expected to remain weak in 2024 and 2025 (0.6% and 1.1% respectively). The current level of key rates (4% for the deposit facility rate) is set to remain unchanged until August 2024. A first decline is expected in September 2024, once inflation is under control, followed by successive declines until the 1st quarter of 2026. Short-term interest rates would follow the trajectory of ECB rates, while long-term rates would be more stable. The yield curve would remain inverted until 2025, normalizing in 2026. The Livret A passbook account rate is fixed at 3% until January 31, 2025, before the calculation formula is applied again;
- The optimistic scenario forecasts a faster fall in inflation in France in 2024 than anticipated by the central scenario. The easing of financing conditions over 2024 would encourage more dynamic economic growth, of around 1.4% from 2025. The yield curve is expected to normalize in 2025;
- The pessimistic scenario anticipates an acceleration in inflation at the end of 2023, and a further rise in ECB key rates in 2024. This would lead to a contraction in economic activity and a collapse in growth (-1.6%) in 2024. The ECB would lower its key rates from the end of 2024, and the effects of this monetary policy would be felt from mid-2025, with a return to growth.

MACROECONOMIC VARIABLES AND PROJECTIONS USED IN THE CENTRAL SCENARIO

The main variables used to determine expected credit losses in the central scenario are detailed below:

Macroeconomic assumptions France	2022 average	2023 average	2024 average	2025 average	2026 average
Inflation rate excluding tobacco	5.3%	5.0%	2.5%	2.0%	2.0%
Oil price *(in $)*	101	84	90	90	90
GDP growth rate	2.5%	0.8%	0.6%	1.1%	1.2%
Unemployment rate (end of period)	7.2%	7.4%	7.8%	7.8%	7.7%
MARKET RATE					
Eurozone	-	-	-	-	-
EURIBOR 3 months	0.34%	3.47%	3.89%	2.95%	2.39%
France	-	-	-	-	-
TEC 10 years	1.67%	3.00%	2.98%	2.81%	2.80%

Weighting of macroeconomic scenarios

The weightings reflect the economic cycle forecast by the Crédit Mutuel group's economists.

Changes in weightings result from the methodological changes described above:

	Central scenario	Pessimistic scenario	Optimistic scenario
At 12/31/2022	19%	80%	1%
At 12/31/2023	60%	30%	10%

The restructuring work carried out during 2023 has made it possible to better understand the prospective dimension of the expected credit loss calculation. Expected credit losses at December 31, 2023 amounted to €3,114 million, varying by -€204 million compared to December 31, 2022 (including the 2022 post-model adjustment).

At December 31, 2023, however, the group had deployed specific post-model adjustments:

- the first reinforces the model's forward-looking dimension, given the strong macroeconomic uncertainties arising from the current economic climate;
- the second is a sectoral adjustment. It is used to supplement the level of provisioning for those sectors most exposed to the risks of climate change and/or the effects of current crises, and which represent material exposures in terms of the group's business model;
- the third concerns retail portfolios (excluding individual customers) with a high default rate, with the aim of reducing the positive impact of government support measures (SGL and/or moratoria) on the credit risk assessment of the customers concerned.

At December 31, 2023, these three post-model adjustments amounted to €149 million, €83 million and €127 million respectively. They represent 11.5% of total expected credit losses.

Sensitivity analysis

The group assesses the sensitivity of the amount of expected credit losses (including post-model adjustments). These analyses show that a 100% weighting of the:

- pessimistic scenario would imply an additional provision for expected credit losses of 8%, or €251 million;
- optimistic scenario would, on the other hand, lead to a 25% reduction in expected credit losses, or €788 million;
- central scenario would lead to a decrease in expected credit losses of 18%, or €565 million.

Risk management information

They are in Chapter 5 of the registration document.

1. Scope and methods of consolidation

1.1 Consolidating entity

At December 31, 2023, Crédit Mutuel Alliance Fédérale comprised 14 Crédit Mutuel federations: Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen, Anjou, Antilles-Guyane, Massif Central and Nord Europe.

Crédit Mutuel Alliance Fédérale is a mutualist group belonging to a central body, within the meaning of Articles L.511-30 *et seq.* of the French Monetary and Financial Code. Crédit Mutuel's local banks, which are wholly owned by the members, form the basis of the group, according to a "reverse pyramid" capital control structure.

In order to show the community of interest of our members in consolidation as accurately as possible, the "consolidating" entity is defined in such a way as to reflect the common bonds of operation, financial solidarity and governance.

To this end, the "consolidating entity" at the head of the group is made up of the companies placed under the same collective accreditation to carry out banking activity, issued by the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority).

As such, the "consolidating" entity is made up of the following federations:

- Fédération du Crédit Mutuel Centre Est Europe (FCMCEE), Fédération du Crédit Mutuel du Sud-Est (FCMSE), Fédération du Crédit Mutuel Île-de-France (FCMIDF), Fédération du Crédit Mutuel Savoie-Mont Blanc (FCMSMB), Fédération du Crédit Mutuel Midi Atlantique (FCMMA), Fédération du Crédit Mutuel Loire-Atlantique Centre-Ouest (FCMLACO), Fédération du Crédit Mutuel du Centre (FCMC), Fédération du Crédit Mutuel de Normandie (FCMN), Fédération du Crédit Mutuel Dauphiné-Vivarais (FCMDV), Fédération du Crédit Mutuel Méditerranéen (FCMM), Fédération du Crédit Mutuel d'Anjou (FCMA), Fédération du Crédit Mutuel Antilles-Guyane (FCMAG), Fédération du Crédit Mutuel Massif Central (FCMMC) and Fédération du Crédit Mutuel Nord Europe (FCMNE). These political bodies of the groups determine the main strategic orientations, decide on their strategy and organize the representation of the banks;
- Caisse Fédérale de Crédit Mutuel (CF de CM), Caisse Régionale du Crédit Mutuel du Sud-Est (CRCMSE), Caisse Régionale du Crédit Mutuel d'Ile-de-France (CRCMIDF), Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc (CRCMSMB), Caisse Régionale du Crédit Mutuel Midi Atlantique (CRCMMA), Caisse Régionale du Crédit Mutuel Loire Atlantique Centre Ouest (CRCMLACO), Caisse Régionale du Crédit Mutuel du Centre (CRCMC), Caisse Régionale du Crédit Mutuel de Normandie (CRCMN), Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais (CRCMDV), Caisse Régionale du Crédit Mutuel Méditerranéen (CRCMM), Caisse Régionale du Crédit Mutuel d'Anjou (CRCMA), Caisse Régionale du Crédit Mutuel Antilles-Guyane (CRCMAG), Caisse Régionale du Crédit Mutuel Massif Central (CRCMMC) and Caisse Régionale du Crédit Mutuel Nord Europe (CRCMNE). CF de CM, which is at the service of the local banks, is responsible for joint services across the network, ensures its smooth running and supports the group's logistics. It centralizes all the banks' deposits and in parallel ensures their refinancing, while fulfilling regulatory requirements on their behalf (compulsory reserves, allocated deposits, deposits at Caisse Centrale du Crédit Mutuel, etc.);
- the Crédit Mutuel banks that are members of FCMCEE, FCMSE, FCMIDF, FCMSMB, FCMMA, FCMLACO, FCMC, FCMN, FCMDV, FCMM, FCMA, FCMAG, FCMMC and FCMNE: these form the basis of the group's banking network.

1.2 Consolidation scope

The general principles for determining whether an entity is included in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.

Entities that are controlled or under significant influence that do not have a significant character in relation to the consolidated financial statements are excluded from the consolidation scope. This situation is assumed when the balance sheet total or the profit or loss of a company has no impact greater than 1% of the consolidated or sub-consolidated equivalent (in the case of consolidation by level). This quantitative criterion is but relative; an entity may be included within the scope of consolidation regardless of this threshold when its business or its expected development gives it the status of a strategic investment.

The consolidation scope comprises:

Controlled entities: control exists when the group has power over the entity, is exposed to or is entitled to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the returns it obtains. The financial statements of controlled entities are fully consolidated.

Entities under joint control: joint control is the contractually-agreed sharing of control over an entity, which exists only in the case where decisions concerning key activities require the unanimous consent of the parties sharing control. Two or more parties that exercise joint control constitute a partnership, which is either a jointly controlled operation or a joint venture:

- a jointly controlled operation is a partnership in which the parties exercising joint control have rights over the assets and obligations pursuant to liabilities relative to the entity: this involves recognizing the assets, liabilities, income and expenses relative to interests held in the entity;
- a joint venture is a partnership in which the parties who exercise joint control have rights over the net assets of the entity: the joint venture is accounted for according to the equity method.

All entities under joint control of the group are joint ventures according to the meaning of IFRS 11;

Entities over which the group has significant influence: these are entities that are not controlled by the "consolidating" entity, which may, however, participate in these entities' financial and operating policy decisions. Shareholdings in entities over which the group has significant influence are accounted for using the equity method.

Investments held by private equity companies and over which joint control or significant influence is exercised are recognized at fair value through profit or loss.

1.3 Consolidation methods

The consolidation methods used are the following:

1.3.1 Full consolidation

This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the value of non-controlling interests in equity and net income. This is the method used for all controlled entities, including those with a different account structure, regardless of whether the business concerned is an extension of that of the consolidating entity.

1.3.2 Consolidation using the equity method

This method involves replacing the value of the shares held with the equity attributable to the group and net income of the entities concerned. It is applied to all entities under joint control, classified as joint ventures or for all entities under significant influence.

1.4 Non-controlling interests

Non-controlling interests correspond to interests that do not confer control as defined by IFRS 10 and include partnership interests that entitle their holders to a share in net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Consolidated UCITS, particularly those representing unit-linked policies of insurance entities, are recognized at fair value through profit or loss. The amounts corresponding to non-controlling interests are shown under "Other liabilities".

In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis Participation to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the excess amount.

1.5 Reporting date

The reporting date for all of the group's consolidated companies is December 31.

1.6 Elimination of intercompany transactions and balances

Intercompany transactions and balances, as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements, are eliminated.

1.7 Foreign currency translation

The balance sheets of foreign subsidiaries are translated into euros at the official reporting date exchange rate. Differences arising from exchange rate fluctuations impacting the share capital, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustments". The income statement is translated at the average exchange rate for the fiscal year, which is an acceptable proxy given the absence of significant exchange rate fluctuations during the period. The resulting translation differences are recorded under "Cumulative translation adjustments". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.

1.8 Goodwill

1.8.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity's assets, liabilities and contingent liabilities are measured at their fair values at that date. Fair value adjustments correspond to the difference between the carrying amount and fair value.

1.8.2 Goodwill

In accordance with IFRS 3, at the date of acquisition of a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale (IFRS 5), which are recognized either at the fair value net of selling costs or their net carrying amount, whichever is the lowest. Goodwill corresponds to the sum of the consideration transferred and non-controlling interests, less the net amount recognized (generally at fair value) as identifiable assets acquired and liabilities assumed. IFRS 3R allows the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If the goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Changes in the value of goodwill".

If the group's stake in an entity it already controls, increases/decreases, the difference between the share acquisition cost/selling price and the portion of consolidated equity that said shares represent on the acquisition/sale date is recognized within equity.

Goodwill is presented on a separate line in the balance sheet for fully consolidated companies and under "investments in equity consolidated companies" when the entities are consolidated using this method.

Goodwill does not include direct costs related to acquisitions, which according to IFRS 3R, are recognized in profit or loss.

Goodwill is tested for impairment regularly by the group (at least once a year). The tests are designed to identify whether the goodwill has suffered a decline in value. Goodwill from a business combination is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies generated by the business combination. The recoverable amount from a CGU or group of CGUs is the value in use or the fair value less selling costs, whichever is the highest. The value in use is measured in relation to estimated future cash flows, discounted at the interest rate that reflects the current market assessments of the time value of money and specific risks to the asset of the CGU. If the recoverable amount of the cash-generating unit (CGU) to which the goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. This impairment, which is recognized in the income statement, is irreversible. In practice, cash-generating units are defined on the basis of the group's business lines.

When goodwill concerns a related company or a joint venture, it is included in the carrying amount of the value of consolidation using the equity method. In this case, it is not subject to impairment testing separately from the value of consolidation using the equity method. When the recoverable amount of this (namely the higher of the values between the value in use and the fair value less selling costs) is less than its carrying amount, a loss in value is recognized and not allocated to a specific asset. Any reversal of this impairment loss is recognized to the extent that the recoverable amount of consolidation using the equity method increases at a later date.

2. Accounting policies and principles

2.1 Financial instruments under IFRS 9

2.1.1 Classification and measurement of financial assets

Under IFRS 9, the classification and measurement of financial instruments depend on the business model and contractual terms of the financial instruments.

2.1.1.1 Loans, receivables and debt securities acquired

The asset is classified:

- at amortized cost, if it is held in order to collect contractual cash flows and if its characteristics are similar to those of a "basic" contract, see the section below "Cash flow characteristics" ("hold-to-collect" model);
- at fair value through equity if the instrument is held to collect the contractual cash flows and to sell them when the opportunity arises, yet without holding it for trading, and if its characteristics are similar to those of a basic contract implicitly entailing a high predictability of associated cash flows ("hold-to-collect and sell" model);
- at fair value through profit or loss if:
  - it is not eligible for the two aforementioned categories (as it does not meet the "basic" criterion and/or is managed in accordance with the "other" business model), or
  - the group initially opts to classify it as such, in an irrevocable way. This option is used to reduce accounting mismatch in relation to another associated instrument.

Cash flow characteristics

Contractual cash flows which solely represent repayments of principal and the payment of interest on outstanding principal are compatible with a "basic" contract.

In a basic contract, interest mainly represents the consideration for the time value of money (including in the event of negative interest) and credit risk. Interest may also include the liquidity risk, administrative fees to manage the asset and a profit margin.

All contractual clauses must be analyzed, in particular those that could alter the timing or amount of contractual cash flows. The option, under the agreement, for the borrower or lender to repay the financial instrument early is compatible with the SPPI [1](Solely Payments of Principal and Interest) criterion for contractual cash flows, provided that the amount repaid essentially represents the outstanding principal and accrued interest, as well as, where applicable, early repayment compensation of a reasonable amount.

The compensation for early repayment is deemed reasonable if, for example:

- it is expressed as a percentage of the principal repaid and is below 10% of the nominal amount repaid; or
- it is determined according to a formula aimed at compensating the difference in the benchmark interest rate between the date on which the loan was granted and its early repayment date.

(1) SPPI: Payment of Principal and Interest only.

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The analysis of contractual cash flows may also require their comparison with those of a reference instrument when the time value of money included in the interest is likely to change due to the contractual clauses of the instrument. This is the case, for example, when the interest rate of the financial instrument is revised periodically, but the frequency of such revisions is unrelated to the period for which the interest rate was established (*e.g.* monthly revision of an annual interest rate), or when the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the reference instrument is significant, or may become so, the financial asset cannot be considered as basic.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year and cumulatively over the life of the instrument. The quantitative analysis takes into account a range of reasonably possible scenarios. To this effect, the group has used yield curves dating back to the year 2000.

Moreover, a specific analysis is conducted in the case of securitization where there is priority of payment among holders and credit risk concentrations in the form of tranches. In that case, the analysis requires the examination of the contractual characteristics of the tranches in which the group has invested and of the underlying financial instruments, as well as the credit risk of the tranches in relation to the credit risk of the underlying financial instruments.

Note that:

- embedded derivatives in financial assets are no longer accounted for separately, which implies that the entire hybrid instrument is then considered as non-basic and recorded at fair value through profit or loss;
- units in UCITS or real estate UCI (OPCI) are not basic instruments and are recognized at fair value through profit or loss.

Business models

The business model represents the way in which the instruments are managed to generate cash flows and revenues. It is based on observable facts and not simply on management's intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at initial recognition and may be reassessed in the event of a change in model (exceptional cases).

To determine the business model, it is necessary to consider all available information, including the following:

- how the activity's performance is reported to decision-makers;
- how managers are compensated;
- the frequency, timing and volumes of sales in previous periods;
- the reasons for the sales;
- future sales forecasts;
- the way in which risk is assessed.

For the "hold-to-collect" business model, certain examples of authorized sales are explicitly set out in the standard:

- in response to an increase in credit risk;
- close to maturity and that the proceeds from these sales correspond approximately to the contractual cash flows still to be received;
- exceptional (*e.g.* linked to a liquidity stress).

Frequent disposals (of insignificant unit value) or infrequent disposals (even if of significant unit value) are compatible with the hold-to-collect model.

These "authorized" disposals are not taken into account in the analysis of the significant and frequent nature of sales made from a portfolio. Disposals linked to changes in the regulatory or tax framework will be documented on a case-by-case basis in order to demonstrate the "infrequent" nature of such disposals.

For other disposals, thresholds have been defined according to the maturity of the securities portfolio, *e.g.* 2% of annual disposals on outstandings in the portfolio with an average maturity of eight years (the group does not sell its loans accounted for in a hold-to-collect model).

The group has mainly developed a model based on the collection of contractual cash flows from financial assets, which applies in particular to the customer financing activities.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and the sale of these assets, as well as a model for other financial assets, in particular financial assets held for trading.

Within the group, the "hold-to-collect-and-sell" model applies primarily to proprietary cash management and liquidity portfolio management activities.

Financial assets held for trading consist of securities originally acquired with the intention of reselling them in the near future, as well as securities that are part of a portfolio of securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets at amortized cost

These mainly include:

- cash and cash equivalents, which comprise cash accounts, deposits, and demand loans and borrowings with central banks and credit institutions;
- other loans to credit institutions and loans to customers (granted directly, or the share in syndicated loans), not measured at fair value through profit or loss;
- a portion of the securities held by the group.

The financial assets classified in this category are initially recognized at their fair value, which is generally the net amount disbursed. The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competing banks.

At subsequent reporting dates, the assets are measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated life of the financial instrument to obtain the net carrying amount of the financial asset or liability. It takes into account estimated cash flows excluding future losses on loans and includes commissions paid or received when these are treated as interest, as well as directly-related transaction costs and all premiums and discounts.

For securities, the amortized cost takes into account the amortization of premiums and discounts, as well as acquisition costs, if significant. Purchases and sales of securities are recognized on the settlement date.

The income received is shown in the income statement under "Interest and similar income".

Commissions received or paid, which are directly linked to the arrangement of a loan and are treated as a component of interest, are spread over the term of the loan using the effective interest rate method and are recorded in the income statement under "Interest".

Commissions received in connection with the commercial renegotiation of loans are also spread over the term of the loan.

The restructuring of a loan following the debtor's financial difficulties entails novation of the contract. Following the definition of this concept by the European Banking Authority, the group integrated it into the information systems so that the accounting and prudential definitions are harmonized.

The fair value of assets at amortized cost is disclosed in the notes to the financial statements at the end of each reporting period. It corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost specific to the debtor.

State-guaranteed loans (SGLs)

The group is committed to the government's COVID-19 crisis-related plan to support the economy. This was further strengthened in April 2022, in the context of the conflict in Ukraine.

The group offers:

- State-guaranteed loans [1](SGL) to support the cash flow of its business and corporate customers; and
- since April 2022, Resilience SGLs for customers that have not taken out an SGL since March 2020 or who have not exceeded the limit on their first SGL.

SGLs represent 12-month bullet loans with grace periods of one to five years. At the date of subscription, the interest rate of the SGL was set at 0%, increased by the cost of the state guarantee set at between 0.25% and 0.50% (and rebilled *via* a commission paid by the customer).

At the end of the first 12 months, the beneficiary of the SGL has the option of setting a new SGL term (limited to six years in total) and amortization terms. In accordance with the government announcements of January 14, 2021, the beneficiary will be able to obtain a "deferral of one additional year" to start repaying the capital.

The Crédit Mutuel group believes that this deferred amortization measure falls within the legal framework of the SGL (*i.e.* adjustment of the contractual schedule, with a first annual repayment term). This "deferral" does not represent, taken in isolation, an indicator of a deterioration in credit risk or the probable default of the borrower (*i.e.* unlikely to pay).

Held for the purpose of collecting cash flows and meeting the basic loan criteria, they are accounted for at amortized cost, using the effective interest rate method. On the date of initial recognition, they are recognized at their nominal value, which is representative of their fair value.

On the subscription anniversary date, SGLs may be subject to a grace period. The revision of flows related to the recognition of guarantee commissions over the duration of the grace period is recognized as an adjustment to the carrying amount of SGLs with an immediate and positive impact on profit. This impact was immaterial as of the reporting date.

At December 31, 2023, state-guaranteed loans issued by the group amounted to €10 billion, guaranteed to the tune of €9 billion. Outstandings downgraded to stage 3 totaled €1 billion.

The valuation of the expected credit losses for these loans takes into account the effect of the state guarantee (implemented by the Banque Publique d'Investissement) for 70% to 90% of the outstanding capital and interest. As of December 31, 2023, they amounted to €0.2 billion.

Financial assets at fair value through equity

For Crédit Mutuel Alliance Fédérale, this category only includes securities. They are recognized at fair value in the balance sheet at the time of their acquisition, on the settlement date and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account, excluding accrued income. These unrealized gains or losses recognized in equity are only recognized in the income statement in the event of disposal or impairment (see Sections 2.1.7 "Derecognition of financial assets and liabilities" and 2.1.8 "Measurement of credit risk").

Income accrued or received is recognized in profit or loss under "Interest and similar income", using the effective interest method.

Financial assets at fair value through profit or loss

They are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal (see Section 2.1.7 "Derecognition of financial assets and liabilities"). Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Income received or accrued on financial instruments at fair value through profit or loss is recognized in the income statement under interest income/(expense). Before, this interest was recognized under "Net gains/(losses) on financial instruments at fair value through profit or loss", in order to be consistent with the regulatory statements sent to the ECB as part of the Short Term Exercise (STE).

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

(1) *The main characteristics of state-guaranteed loans and the mechanism for triggering the guarantee are summarized in Article 2 of the Order of March 23, 2020 granting state guarantees to credit institutions and financing companies and to the lenders mentioned in Article L.548-1 of the French Monetary and Financial Code.*

2.1.1.2 Equity instruments acquired

Equity instruments acquired (shares, in particular) are classified as follows:

- at fair value through profit or loss; or
- optionally, at fair value through other non-recyclable equity at the initial recognition and in an irrevocable manner when they are not held for trading.

Financial assets at fair value through equity

Shares and other equity instruments are recorded in the balance sheet at their fair value at the time of their acquisition and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. These unrealized or deferred gains and losses booked to equity are never recognized in the income statement, even when they are sold (see Section 2.1.7 "Derecognition of financial assets and liabilities"). Only dividends received on variable-income securities are recorded in the income statement, under "Net gains/(losses) on financial assets on fair value through equity". Purchases and sales of securities are recognized on the settlement date.

Financial assets at fair value through profit or loss

Equity instruments are recognized in the same way as debt instruments at fair value through profit or loss.

2.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

2.1.2.1 Financial liabilities at fair value through profit or loss

- those incurred for trading purposes including, by default, derivatives with a negative fair value which do not qualify as hedging instruments; and
- non-derivative financial liabilities that the group originally classified as measured at fair value through profit or loss (fair value option). These include:
  - financial instruments containing one or more separable embedded derivatives,
  - instruments for which, where the fair value option is not applied, the accounting treatment would be inconsistent with that applied to another related instrument,
  - instruments belonging to a pool of financial instruments measured and managed at fair value.

The recognition of changes in fair value resulting from own credit risk concerning debts optionally designated at fair value through profit or loss is recognized in unrealized or deferred profit or loss in non-reclassifiable equity. The group is marginally concerned by the problem of own credit risk.

2.1.2.2 Financial liabilities at amortized cost

These consist of other non-derivative financial liabilities. These include amounts due to customers and to credit institutions, debt securities (certificates of deposit, interbank market securities, bonds, TLTRO [1]), dated and undated subordinated debt for which measurement at fair value through profit or loss was not opted for.

Subordinated debt is separated from other debt securities since, in the event of liquidation of the debtor's assets, it is repaid only after claims by other creditors have been extinguished. Debt securities include the non-preferred senior debt instruments created by the Sapin 2 Law.

These liabilities are initially recognized at fair value in the balance sheet. At subsequent reporting dates, they are measured at amortized cost using the effective interest rate method. The initial fair value of issued securities is their issue price less transaction costs, where applicable.

Regulated savings contracts

Liabilities carried at amortized cost include *comptes épargne logement* (CEL - mortgage saving accounts) and *plans épargne logement* (PEL - mortgage saving plans), which are regulated French products available to customers (natural persons). In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate two types of obligations for the distributing establishment:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as variable-rate interest);
- an obligation to grant loans to customers under predetermined terms (both PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is made as a liability in the balance sheet to cover future expenses related to the potentially unfavorable conditions of these products, compared to the interest rates offered to individual customers for similar products, but which are not regulated in terms of compensation. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL (mortgage saving plans) and CEL (mortgage saving accounts). The impact on income is recorded under interest paid to customers.

Targeted long-term refinancing operations – TLTRO III

TLTRO III transactions are financial liabilities at amortized cost.

Since September 2019, the TLTRO III program has enabled banks to benefit from seven new refinancing tranches with a respective duration of three years, and with interest rates that vary according to periods, and since January 2021 from three additional tranches.

The amount of TLTRO III at which Crédit Mutuel Alliance Fédérale can borrow depends on the percentage of outstanding loans granted to non-financial corporates and households at the end of February 2019.

The TLTRO III interest rate is based on the market conditions defined by the ECB and may include a subsidy linked to the bank's credit performance.

In the context of the health crisis, the ECB relaxed the terms of these refinancing operations to support lending to households and businesses. Certain target parameters have been recalibrated [2]. In particular, more favorable conditions made it possible to benefit from a reduction of 50 bp over the special and additional special interest periods from June 2020 to June 2022 [3].

(1) Targeted Longer-Term Refinancing Operations.

(2) Decision (EU) 2021/124 of the ECB of January 29, 2021 amending Decision (EU) 2019/1311 concerning a third round of targeted longer-term refinancing operations (ECB/2021/3 published in the OJEU on February 3, 2021).

(3) Decision (EU) 2020/614 of the European Central Bank of April 30, 2020 amending Decision (EU) 2019/1311 on a third round of targeted longer-term refinancing operations (ECB/2020/25).

Since June 2022, as part of its monetary policy measures, the ECB has successively raised its three key rates to sufficiently restrictive levels to ensure a return to the 2% inflation target in the medium term.

On October 27, 2022, the ECB recalibrated the terms of remuneration for TLTRO III transactions in order to reinforce the transmission of higher key rates to bank lending conditions. The interest conditions applicable to the TLTRO III have been adjusted from November 23, 2022 (and additional early redemption dates have been opened).

They are described below and take into account the achievement by the group of the credit performance targets set by the ECB over all the reference periods of the program:

- from its start date until November 22, 2022 inclusive and excluding the special or additional special interest period, the interest rate for TLTRO III operations represents the average of the deposit facility rate over this period (and no longer over the life of the operation);
- during the special interest and additional special interest periods (June 24, 2020 to June 23, 2021 inclusive and June 24, 2021 to June 23, 2022 inclusive, respectively), it is equal to the average of the deposit facility rates over the period less 0.50% (application of a -1% cap);
- from November 23, 2022 until the maturity date (or early repayment date), the interest rate of the TLTRO III operations will be indexed to the average of the key ECB interest rates applicable during that period.

This change is accompanied by the opening of three additional early repayment dates.

According to the Crédit Mutuel group, the TLTRO III transactions represent variable rate financial instruments carried at amortized cost. The adjustment to the interest rate conditions following this decision must be recognized in accordance with the provisions of IFRS 9 on changes in market rates for variable rate instruments.

The interest recognized but not yet due by the group takes into account, until November 22, 2022, the effect of the change in the interest rate formula between the beginning of the transaction and that date. As of November 23, 2022, the effective interest rate of the TLTRO financing transactions is calculated on the basis of the average of the deposit facility rates known between November 23, 2022 and June 30, 2026.

At December 31, 2023, Crédit Mutuel Alliance Fédérale participated in the TLTRO III refinancing transactions for an amount of €11.7 billion (compared to €32.2 million at December 31, 2022).

2.1.3 Debt-equity distinction

According to the IFRIC 2 interpretation, members' shares are shareholders' equity if the entity has an unconditional right to refuse redemption or if there are legal or statutory provisions prohibiting or significantly limiting redemption. Due to the existing statutory and legal provisions, the members' shares issued by structures composing the Crédit Mutuel group's consolidating entity are recognized in shareholders' equity.

Other financial instruments issued by the group are classified as debt instruments in the group's accounts when the group has a contractual obligation to deliver cash to holders of the instruments. This is the case for subordinated notes issued by the group.

2.1.4 Foreign currency transactions

Assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rates prevailing at the reporting date.

2.1.4.1 Monetary financial assets or liabilities

Foreign currency gains and losses on the translation of such items are recorded in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss".

2.1.4.2 Non-monetary financial assets or liabilities measured at fair value

Foreign exchange gains or losses arising from such translations are recognized in the income statement under "Net gains/(losses) at fair value through profit or loss" if measured at fair value through profit or loss, or recognized under "Unrealized or deferred capital gains/(losses)" if they are financial assets measured at fair value through equity.

2.1.5 Derivatives and hedge accounting

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.

The group has elected to continue to apply the provisions of IAS 39. However, in accordance with IFRS 7 (revised), additional information on the management of risks and the impacts of hedge accounting on the financial statements is provided in the notes or in the management report.

Moreover, the provisions of IAS 39 concerning the fair value hedge of the interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, continue to apply.

Derivatives are financial instruments which have the following three characteristics:

- their value fluctuates in response to changes in the underlying items (interest rates, exchange rates, share prices, indices, commodities, credit ratings, etc.);
- their initial cost is low or nil;
- their settlement takes place at a future date.

The Crédit Mutuel group uses in simple derivative instruments (swaps, vanilla options), mainly interest rate instruments, which are essentially classified in level 2 of the value hierarchy.

All financial derivative instruments are recorded at fair value under financial assets or financial liabilities. They are recognized by default as trading instruments unless they can be classified as hedging instruments.

2.1.5.1 Determining the fair value of derivatives

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are valued using standard, generally accepted models (discounted cash flow method, Black and Scholes model or interpolation techniques), based on observable market data such as yield curves. The valuations given by these models are adjusted to take into account the liquidity risk and the credit risk associated with the instrument or parameter in question and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions, as well as the counterparty risk captured by the positive fair value of over-the-counter derivatives. The latter includes the own counterparty risk present in the negative fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Derivatives are recognized as financial assets when their market value is positive and as financial liabilities when their market value is negative.

2.1.5.2 Classification of derivatives and hedge accounting

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

By default, all derivatives not designated as hedging instruments under IFRS are classified as "Financial assets or financial liabilities at fair value through profit or loss", even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, meets the definition criteria for a derivative. It has the effect, notably, of changing certain cash flows in the same way as a stand-alone derivative.

The derivative is detached from the host contract and recognized separately as a derivative instrument at fair value through profit or loss only if all of the following conditions are satisfied:

- it meets the definition criteria of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and the associated risks are not considered as being closely related to those of the host contract;
- separate measurement of the embedded derivative is sufficiently reliable to provide relevant information.

As these are financial instruments under IFRS 9, only embedded derivatives relating to financial liabilities may be separated from the host contract to be recognized separately.

Realized and unrealized gains and losses are recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Hedge accounting

Risks hedged

In its accounts, the group only recognizes interest rate risk through micro-hedging, or on a larger scale through macro-hedging.

Micro-hedging is the partial hedging of the risks incurred by an entity on its assets and liabilities. It specifically applies to one or more assets or liabilities for which the entity covers the risk of an unfavorable change in a type of risk, through derivatives.

Macro-hedging aims to cover all of the group's assets and liabilities against any unfavorable changes, particularly in interest rates.

The overall management of the interest rate risk is described in the management report, along with the management of all other risks (foreign exchange, credit, etc.) that may be hedged through the natural backing of assets to liabilities or the recognition of trading derivatives.

Micro-hedging is used in particular in the context of asset swaps. It generally aims to transform a fixed-rate instrument into a variable-rate instrument.

Three types of hedging relationship are possible. The choice of the hedging relationship depends on the nature of the risk being hedged:

- a fair value hedge hedges the exposure to changes in the fair value of financial assets or financial liabilities;
- a cash flow hedge is a hedge of the exposure to variability in cash flows relating to financial assets or financial liabilities, firm commitments or forward transactions;
- the hedging of net investments in foreign currencies is recognized in the same way as cash flow hedging. The group has not used this form of hedging.

Hedging derivatives must meet the criteria stipulated by IAS 39 to be designated as hedging instruments for accounting purposes. In particular:

- the hedging instrument and the hedged item must both qualify for hedge accounting;
- the relationship between the hedged item and the hedging instrument must be documented formally immediately upon inception of the hedging relationship. This documentation sets out the risk management objectives determined by management, the nature of the risk hedged, the underlying strategy, and the methods used to measure the effectiveness of the hedge;
- the effectiveness of the hedge must be demonstrated upon inception of the hedging relationship, subsequently throughout its life, and at the very least at each reporting date. The ratio of the change in value or gain/loss on the hedging instrument to that of the hedged item must be within a range of 80% to 125%.

Where applicable, hedge accounting is discontinued prospectively.

Fair value hedge of identified financial assets or liabilities

In a fair value hedging relationship, derivatives are remeasured at fair value through profit or loss under "Net gains/(losses) on financial instruments at fair value through profit or loss" symmetrically with the revaluation of the hedged items to reflect the hedged risk. This rule also applies if the hedged item is recognized at amortized cost or is a debt instrument classified under "Financial assets at fair value through equity". Changes in the fair value of the hedging instrument and the hedged risk component offset each other partially or totally; only the ineffective portion of the hedge is recognized in profit or loss. It may be due to:

- the "counterparty risk" component integrated in the value of the derivatives;
- the different value curve between the hedged items and hedging instruments. Indeed, swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued using a BOR curve.

The portion corresponding to the rediscounting of the derivative financial instrument is recognized in the income statement under "Interest income/(expense)". The same treatment is applied to the interest income or expense relating to the hedged item.

If the hedging relationship is interrupted or the effectiveness criteria are not met, hedge accounting is discontinued on a prospective basis. The hedging derivatives are transferred to "Financial assets or financial liabilities at fair value through profit or loss" and are accounted for in accordance with the principles applicable to this category. The carrying amount of the hedged item is subsequently no longer adjusted to reflect changes in fair value. In the case of interest rate instruments initially identified as hedged, the remeasurement adjustment is amortized over their remaining life. If the hedged item has been derecognized in the balance sheet, in particular due to early repayment, the cumulative adjustments are recognized immediately in the income statement.

Macro-hedging derivatives

The group has availed itself of the possibilities offered by the European Commission regarding the accounting for macro-hedging transactions. In fact, the changes made by the European Union to IAS 39 (carve-out) allow the inclusion of customer demand deposits in portfolios of hedged fixed-rate liabilities with no measurement of ineffectiveness in case of under-hedging. Demand deposits are included based on the run-off rules defined for asset-liability management purposes.

For each portfolio of financial assets or liabilities bearing a fixed rate, the effectiveness of the hedging relationship is verified through:

- an over-hedging test: the group ensures that, prospectively and retrospectively, the maturity schedule of the hedged items is greater than that of the hedging derivatives;
- a test of non-disappearance of the hedged item, which consists of ensuring that the maximum historically hedged position is lower than the nominal value of the hedged portfolio at the reporting date for each future maturity band and each rate generation;
- a quantitative test: a quantitative test intended to ensure retrospectively that changes in the fair value of the modeled synthetic instrument offset changes in the fair value of the hedging instruments.

The sources of ineffectiveness related to macro-hedging result from mismatches in the curves used to model the hedged portfolios and hedging derivatives, as well as possible mismatches in the interest payments of these items.

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

Changes in the fair value of the hedged portfolios are recorded in the balance sheet under "Revaluation adjustment on rate-hedged books", the counterpart being an income statement line item.

Cash flow hedges

In the case of a cash flow hedging relationship, derivatives are remeasured at fair value in the balance sheet, with the effective portion recognized in equity. The portion considered as ineffective is recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Amounts recognized in equity are reclassified to profit or loss under "Interest income/(expense)" at the same time as the cash flows attributable to the hedged item affect profit or loss.

The hedged items continue to be accounted for in accordance with the rules specific to their accounting category. If the hedging relationship is terminated or no longer meets the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recorded in shareholders' equity for the remeasurement of the hedging derivative are maintained in shareholders' equity until such time as the hedged transaction itself impacts profit or loss or until the transaction is no longer expected to occur. At this point, said amounts are transferred to profit or loss.

If the hedged item no longer exists, the cumulative amounts recorded in equity are immediately transferred to profit or loss.

Benchmark rate reform

Within the framework of the IBOR reform, the group is easing its hedge accounting policies for changes related to the IBOR reform:

- before defining the substitution indices, maintain existing hedging relationships during this exceptional and temporary situation and until the uncertainty created by the reform of IBOR rates is resolved concerning the choice of a new index and the effective date of this change;
- after defining the substitution indices, in particular, update the description of the hedged risk and the documentation, without impacting the continuity of the hedging relationships. A temporary exception on the "separately identifiable" nature of a non-contractually specified hedged risk component. Such a risk component indexed to a replacement rate will be considered separately identifiable if it is reasonable for it to become identifiable within a period of 24 months after designation, in the context of the development of the replacement index markets.

2.1.6 Financial guarantees and financing commitments

Financial guarantees are treated like an insurance contract when they provide for specified payments to be made to reimburse the policyholder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 17, such financial guarantees continue to be measured using French accounting standards, *i.e.* they are treated as off-balance sheet items, until such time as the current standards are revised. Accordingly, they are subject to a provision for liabilities if an outflow of resources is likely.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating, index, etc.) or a non-financial variable (provided that this variable is not specific to one of the parties to the agreement) fall within the scope of IFRS 9. These guarantees are thus treated as derivatives.

Financing commitments that are not considered as derivatives within the meaning of IFRS 9 are not shown on the balance sheet. However, they give rise to provisions in accordance with the requirements of IFRS 9.

2.1.7 Derecognition of financial assets and liabilities

The group partly or fully "derecognizes" a financial asset (or a group of similar assets) when the contractual rights to the asset's cash flows expire, or when the group has transferred the contractual rights to the financial asset's cash flows, as well as most of the risks and advantages linked with ownership of the asset.

Upon "derecognition" of:

- a financial asset or liability at amortized cost or at fair value through profit or loss: a gain or loss on disposal is recognized in the income statement in an amount equal to the difference between the carrying amount of the asset or liability and the amount of the consideration received/paid;
- a debt instrument at fair value through equity: the unrealized gains or losses previously recognized under equity are taken to the income statement, as well as any capital gains/losses on disposal;
- an equity instrument at fair value through equity: the unrealized gains or losses previously recognized under equity, as well as any capital gains/losses on disposal are recognized in consolidated reserves without going through the income statement.

The group "derecognizes" a financial liability when the contractual obligation is extinguished, is canceled or expires. A financial liability may also be "derecognized" in the event of a material change in its contractual terms and conditions, or an exchange with the lender for an instrument whose contractual terms and conditions are substantially different.

2.1.8 Measurement of credit risk

The impairment model of IFRS 9 is based on an "expected loss" approach, whereas that of IAS 39 was based on an incurred credit loss model, implying that credit losses were recognized too late and too little at the time of the financial crisis.

Under this IFRS 9 model, financial assets for which no objective evidence of impairment exists on an individual basis are impaired on the basis of observed losses as well as reasonable and justifiable future cash flow forecasts.

The IFRS 9 impairment model thus applies to all debt instruments measured at amortized cost or at fair value through equity, as well as to financing commitments and financial guarantees. These are divided into three categories:

- stage 1 – non-downgraded performing loans: provisioning on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) from the initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2 – downgraded performing loans: provisioning on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3 – non-performing loans: category comprising the financial assets for which there is objective evidence of impairment related to an event that has occurred since the loan was granted.

For stages 1 and 2, the basis of calculation of interest income is the gross value of the asset before impairment while, for stage 3, it is the net value after impairment.

2.1.8.1 Governance

The models for compartment allocation, forward-looking scenarios and parameter calculation methods constitute the methodological basis for impairment calculations. They are validated at the group's top level and are applicable to all entities according to the portfolios involved. The entire methodological basis and any subsequent modification in terms of method, weighting of the scenarios, parameter calculation or provision calculation must be validated by the Crédit Mutuel group's governance bodies.

These bodies consist of the supervisory and executive board as defined by Article 10 of the Order of November 3, 2014 relative to internal control. Given the specificities of the Crédit Mutuel group's decentralized organizational structure, the supervisory and management bodies are divided into two levels – the national level and the regional level.

The principle of subsidiarity, applied across the Crédit Mutuel group, governs the breakdown of roles between national and regional levels, both on a project basis and for the ongoing implementation of the asset impairment calculation methodology.

At the national level, the Basel III Working group approves the national procedures, models and methodologies to be applied by the regional groups. Any change in the calibration of the scenarios or parameters used in the IFRS 9 provisioning model is validated by this body.

At the regional level, regional groups are tasked with the calculation of the IFRS 9 provisions within their entities, under the responsibility and control of their respective executive and supervisory bodies.

2.1.8.2 Definition of the boundary between stages 1 and 2

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans:

- low default portfolios (LDPs), for which the rating model is based on an expert assessment: large corporates, banks, local governments, sovereigns, specialized financing. These portfolios are composed of products such as operating loans, short-term operating loans, current accounts, etc.;
- high default portfolios (HDPs) for which the default data is sufficient to establish a statistical rating model: mass corporate and retail. These portfolios include products such as home loans, consumer credit, revolving loans, current accounts, etc.

A significant increase in credit risk, which entails transferring a loan out of stage 1 into stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, where the counterparty rating system is common to the entire group. All of the group's counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis. Unlike stage 3, transferring a customer's contract into stage 2 does not entail transferring all of the customer's outstanding loans or those of related parties (absence of contagion).

It should be noted that the group immediately puts into stage 1 any performing exposure that no longer meets the criteria for stage 2 classification (both qualitative and quantitative).

The group has demonstrated that a significant correlation exists between the probabilities of default at 12 months and at termination, which allows it to use 12-month credit risk as a reasonable approximation of the change in risk since initial recognition, as the standard permits.

Quantitative criteria

For LDP portfolios, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the lower the group's relative tolerance for a significant deterioration in risk.

For HDPs, at December 31, 2023, the criteria for assessing the significant increase in credit risk have changed in accordance with the recommendations issued by the European Banking Authority and the European Central Bank.

In accordance with these new criteria, the group has opted for the operational simplification proposed by the standard, which allows low-risk loans at the closing date to be maintained in stage 1 as long as the following three conditions are met:

- the financial asset presents a low default risk;
- the borrower demonstrates a solid ability to meet its short-term contractual cash flow obligations;
- the borrower's ability to meet its short-term contractual obligations is not necessarily impaired by unfavorable changes in longer-term economic and business conditions.

Credit risk is presumed to have increased significantly if the probability of default on the instrument has increased by a factor of at least three since origination.

Lastly, the frontier curve formula, which relates the probability of default at inception to the probability of default at the closing date, has been revised to better reflect the prospective dimension within HDPs.

Qualitative criteria

To this quantitative data the group adds qualitative criteria such as installments unpaid or late by more than 30 days, the fact that a loan has been restructured, etc.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

2.1.8.3 Stages 1 and 2 – Calculating expected credit losses

Expected credit losses are measured by multiplying the current outstanding balance discounted by the contract rate by its probability of default (PD) and by the loss given default (LGD). The off-balance-sheet exposure is converted into a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for Stage 1, while the probability of default at termination (one-to-ten year curve) is used for Stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a stage and for calculating expected losses.

Probability of default

This is based:

- for high default portfolios, on the models approved under the IRB-A approach;
- for low default portfolios, on an external probability of default scale based;

on a history dating back to 1981.

Loss given default

This is based:

- for high default portfolios, on the collection flows observed over a long period of time, discounted at the interest rates of the contracts, segmented according to types of products and types of guarantees;
- for low default portfolios, on fixed ratios (60% for sovereign and 40% for the rest).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes in the economy and relating these anticipated changes to the risk parameters. This forward-looking dimension is determined at group level and is taken into account by modeling default probabilities and by deforming internal rating migration matrices (or risk parameters).

For high-default portfolios, the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, central or pessimistic), which will be weighted based on the group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD.

These scenarios are drawn up by the group's economists, taking into account macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) published by institutions (IMF, World Bank, ECB, OECD).

The weighting to be attributed to the scenario used to calculate expected credit losses is set at a minimum of 50% for the central scenario, and the weighting of the two alternative scenarios is defined according to the economic cycle anticipated by the group's economists. The weightings are updated at least every six months.

However, the forward-looking approach embedded in the expected credit loss model could be adjusted to incorporate elements that would not have been captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters unprecedented in the historical record and whose impact can be measured by making certain assumptions.

Post-model adjustments can be considered to reflect the consequences of climatic events on expected losses or the outlook for deterioration in certain economic sectors.

For low default portfolios, forward-looking information is incorporated into the large corporate/bank models, but not into the local government, sovereign and specialized financing models.

The effects of these adjustments are described above in the paragraph on credit risk.

2.1.8.4 Stage 3 – Non-performing loans

An impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans have been made that might generate a loss. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

The Crédit Mutuel group applies the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds, the main elements of which are as follows:

- default analysis is now performed on a daily basis at the creditor level and no longer at the contract level;
- the number of days of late installments is appraised for each borrower (obligor) or group of borrowers (joint obligors) in the case of a joint commitment;
- the default is triggered when 90 consecutive days of arrears are recorded by a borrower/group of borrowers. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 Retail, €500 Corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The countdown is reset when this is no longer the case for one of the two thresholds;
- the default contagion scope extends to all receivables of the borrower, and all individual commitments of borrowers participating in a joint credit obligation;
- there is a minimum three-month probationary period before non-restructured assets can return to healthy status.

Crédit Mutuel Alliance Fédérale has rolled out the new definition of default on IRB entities using the EBA's two-step approach:

- step 1 – This consists of presenting a self-assessment and an authorization request to the supervisor. Authorization for use was obtained by the group in October 2019;
- step 2 – This consists of implementing the new definition of default, and then adjusting the models if necessary after an observation period of 12 months for new defaults.

The group believes that this new definition of default, as required by the EBA, is representative of objective proof of impairment in an accounting sense of the word. The group has aligned its definitions of accounting (stage 3) and prudential default. This change constitutes a change in estimate, the non-material impact of which is recognized in the income statement in the year of the change.

2.1.8.5 Initially impaired financial assets

These are contracts for which the counterparty is non-performing on the date of initial recognition or acquisition. If the borrower is non-performing at the reporting date, the contracts are classified into stage 3; otherwise, they are classified as performing loans, identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in stage 2, *i.e.* an expected loss over the residual maturity of the contract.

2.1.8.6 Accounting

Impairment charges and provisions are recorded in "Cost of counterparty risk". Reversals of impairment charges and provisions are recorded in "Cost of counterparty risk" for the portion related to the change in risk and in "net interest margin" for the portion related to the passage of time. For loans and receivables, impairment is deducted from assets, and for financing and guarantee commitments, the provision is recorded in liabilities under "Provisions" (see Sections 2.1.6 "Financial guarantees and financing commitments" and 2.3.2 "Provisions"). For assets at fair value through equity, the impairment recognized in the cost of risk is offset under "Unrealized or deferred gains and losses".

Loan losses are written off and the related impairments and provisions are reversed.

2.1.9 Determination of fair value of financial instruments

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

The fair value of an instrument upon initial recognition is generally its transaction price.

The fair value must be calculated for subsequent measurements. The calculation method to be applied varies depending on whether the instrument is traded on a market deemed to be active or not.

2.1.9.1 Instruments traded on an active market

When financial instruments are traded on an active market, fair value is determined by reference to their quoted price as this represents the best possible estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available (from a stock exchange, dealer, broker or pricing service) and those prices represent actual market transactions regularly occurring on an arm's length basis.

2.1.9.2 Instruments traded on a non-active market

Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In other cases, the group uses non-observable data (mark-to-model).

When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, as well as liquidity risks associated with the instrument or parameter in question, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

In all cases, adjustments are made by the group in a reasonable and appropriate manner, based on judgment.

2.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- level 1: prices quoted on active markets for identical assets or liabilities; notably, debt securities quoted by at least three contributors and derivatives quoted on an organized market are concerned;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (*i.e.* prices) or indirectly (*i.e.* data derived from prices). Included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based on market interest rates observed at the reporting date;
- level 3: data relating to the asset or liability that are not observable market data (non-observable data). The main constituents of this category are investments in non-consolidated companies held in venture capital entities or otherwise and, in Capital Markets, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters. The instrument is classified at the same hierarchical level as the lowest level of the input having an important bearing on fair value considered as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to a change in the parameters would be immaterial.

2.2 Insurance activities

2.2.1 Financial investments of insurance activities

Financial investments of insurance activities are valued in accordance with IFRS 9. For more details, see Section 2.1

2.2.2 Insurance contracts and reinsurance contracts

IFRS 17 sets out new rules for the recognition, measurement and presentation of insurance contracts falling within its scope:

- valuation of insurance contracts on the balance sheet: their value is updated on each closing date, based on a re-estimate of future cash flows related to their execution. This re-estimate takes into account market data for financial information, and policyholder behavior;
- recognition of the margin: although the profitability of insurance contracts remains unchanged, the recognition of their margin in profit or loss is modified to be spread over the duration of the insurance service; and
- presentation of the income statement: general operating expenses attributable to the execution of insurance contracts are now presented as a reduction of net revenue under insurance services expenses and therefore no longer affect the total amount of general operating expenses in the consolidated income statement.

The group has adopted the Year To Date (YTD) approach for assessing the various components of accounting models under IFRS 17.

This choice of accounting method is applied to all insurance contracts issued and reinsurance contracts held, and involves disregarding estimates previously made in its interim financial statements.

Scope of application

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued and held, and discretionary participation investment contracts issued. The definition of an insurance contract is unchanged from IFRS 4, with the exception of the assessment of the insurer's risk of loss, which must be based on a present value.

Grouping of contracts

The standard requires the identification of portfolios of insurance contracts, *i.e.* contracts subject to similar risks and managed together.

Each portfolio of insurance contracts issued is then divided into three profitability levels:

- onerous contracts upon initial recognition;
- contracts which, at the time of initial recognition, have no significant possibility of becoming loss-making;
- the other contracts in the portfolio.

The profitability level of a contract group must be uniform across all the contracts included in the group.

In addition, IFRS 17, as published by the IASB, introduces the principle of annual cohorts, prohibiting contracts issued more than one year apart from each other from being included in the same group.

Nevertheless, the standard as adopted by the European Union provides for an optional exception from the application of this rule for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect, or are affected by, cash flows to policyholders of other contracts.

GACM applies this European exception to eligible groups of contracts.

The different levels of aggregation used by GACM are as follows:

Definition of contract portfolios

General model and simplified model contracts are grouped by homogeneous product families, without distinction by guarantee or by legal entity within the same geographic area. VFA contracts are grouped according to the asset portfolio to which they relate.

Profitability signature and definition of contract groups

Given GACM's approach to contract portfolios, it is clear that contract portfolios present a homogeneous level of profitability by underwriting generation. Consequently, a portfolio of contracts valued according to the general model or the simplified model will be subdivided into a single group per underwriting year.

For VFA contracts, the contract group corresponds to the contract portfolio, in line with the European exception.

The IFRS 17 contract aggregation level defines the contract aggregation level to be used for measuring insurance contract liabilities and profitability.

Valuation models

General valuation model for insurance contracts (Building Block approach)

Contracts should be valued by default according to a general measurement model as the sum of the following elements:

- fulfillment cash flows:
  - estimates of future cash flows (premiums, benefits, directly attributable costs) weighted by their probability of occurrence,
  - an adjustment to reflect the time value of money (*i.e.* discounting these future cash flows),
  - an adjustment for non-financial risks;
- the contractual service margin (or CSM).

The contractual service margin represents the unearned profit for a group of insurance contracts, *i.e.* the present value of future profits. It is amortized in income from insurance contracts over the coverage period of the contracts, as the insurance entity provides services to policyholders according to the coverage units.

In view of the diversity of insurance contracts, the determination of coverage units requires judgment in considering both the level of coverage defined in the contract (for example, the capital in the event of death for a loan contract) and the expected duration of the contract.

The CSM of a group of contracts cannot be negative; any negative amount of fulfillment cash flows at the start or during the contract is immediately recognized in income.

Discount rate

IFRS 17 requires the use of discount rate curves reflecting the time value of money, cash flow, as well as the liquidity characteristics of insurance contracts. To determine the discount rate, the group applies the bottom-up approach. This methodology consists of adding a liquid risk-free component, based on rate swaps, and an adjustment to take into account the liquidity characteristics of insurance contracts.

The group uses the EIOPA yield curve and retains the principles relating to the extrapolation of the risk-free yield curve as part of the revision of the Solvency II directive (general approach of the Council of the European Union) because the latter provide greater coherence and consistency in terms of the financial markets.

Adjustment for non-financial risk and confidence level

The adjustment for non-financial risk must reflect the compensation required by the group to support the uncertainty surrounding the amount and timing of cash flows that is generated by the non-financial risk when the group executes insurance contracts.

It was decided to calculate the risk adjustment with a quantile approach using Value at Risk ("VaR") for all risks. The group considers that a quantile of 80% represents an adequate level of prudence for the underlying technical reserves.

This general model will apply by default to all insurance contracts.

The carrying amount of a group of insurance contracts is remeasured at the end of each subsequent period. It is then equal to the sum of the following two amounts:

- the liability for remaining coverage, which includes the value of the re-estimated execution flows at that date (present value of premiums to be received and future benefit expenses over the remaining coverage period) and the adjusted contractual service margin on the same date as described above;
- the liability for incurred claims, for an amount equal to the present value of the estimated cash flows required to settle valid requests on claims that have already occurred.

On this same reporting date, the amount of the contractual service margin is updated to take into account, notably:

- the effect of new contracts added to the group of contracts;
- interest capitalized at the discount rate used to determine the initial value of the margin;
- the re-estimation of fulfillment cash flows resulting from changes in technical assumptions (present value of premiums to be received and future benefit expenses over the remaining coverage period, excluding estimates of expenses to be paid on claims already incurred that are subject to a separate assessment).

However, if the negative amount related to the discounted future cash flow changes is greater than the amount of the remaining margin, then the negative surplus is immediately recognized in profit or loss. The margin is also capitalized according to the fixed rate at the start of the contract.

The effect of unwinding the discount on the liability related to the passage of time is recorded in "Financial income or financial expenses from insurance contracts issued" as well as that related to the change in the discount rate. However, the latter may optionally be recognized in shareholders' equity.

The group applies the option to neutralize the effects of discount rates in shareholders' equity for the portfolios of insurance contracts valued under the general model.

The group applies the General Measurement Model to long-term personal insurance and protection insurance contracts (in particular real estate borrower contracts, funeral contracts and long-term care contracts).

The coverage units used are calibrated according to the amount insured, therefore without reference to the cost to the insurer.

Variable fee model (Variable fee approach)

IFRS 17 provides for an adaptation of the general model for direct participating contracts. This adapted model, known as the "Variable fee approach", makes it possible to reflect, in the valuation of insurance liabilities, the obligation to pay policyholders a substantial portion of the return on underlying assets net of contract expenses (as the changes in the value of the underlying assets attributable to policyholders are neutralized in the contractual service margin).

Insurance contracts with direct participation features are insurance contracts which, in substance, constitute contracts for investment-related services, where the entity promises a return based on underlying items. They are therefore defined as insurance contracts in which:

- the contractual terms specify that the policyholder is entitled to a share in a clearly defined portfolio of underlying items;
- the entity expects to pay the policyholder an amount corresponding to a substantial portion of the return obtained on the fair value of the underlying items;

- the entity expects any change in the amounts payable to the policyholder to be substantially attributable to changes in the fair value of the underlying items.

Eligibility for VFA is assessed on the basis of these criteria at the inception of the contract, and is not reviewed thereafter, except in the event of substantial modification to the contract.

The main adaptations as compared to the General Model relate to:

- the insurer's share of the change in the fair value of the underlying investments. At each reporting date, it is included in the contractual service margin in order to be recognized in income over the expected remaining coverage period of the contracts.
- interest on the contractual service margin, the changes of which are implicitly included in the periodic revision of the contractual service margin.

The income from these contracts is therefore mainly represented by the relaxation of execution flows and the amortization of the contractual service margin. When the underlying items perfectly back the liabilities and are measured at fair value through profit or loss, the financial income of these contracts is zero. In the event of an accounting mismatch between the underlying assets and the insurance liabilities, the option of classifying in shareholders' equity the effect of changes in liabilities related to these assets is applicable.

The group applies the VFA model to all of the group's Life products (both general fund contracts and unit-linked contracts). The model used is the portfolio of assets underlying the contracts in question.

The coverage units used are the mathematical reserves of the contracts. On the basis of this driver, the group had to apply a correction coefficient to amortize the CSM in income and neutralize the bias induced by the bow wave effect associated with the stochastic modeling in a risk neutral environment. After applying the adjusted coverage unit, the amount of CSM, which is amortized in the income statement each period, takes into account the "real world" environment, and reflects the service provided to policyholders over the period in question.

Simplified approach (Premium allocation approach)

The standard also allows, subject to conditions, the application of a simplified approach known as the Premium allocation approach to contracts with a duration less than or equal to 12 months or if the application of the simplified approach gives a result close to the General Model.

For profitable contracts, the liability related to the remaining coverage is valued on the basis of the deferral of premiums collected using a logic similar to that used under IFRS 4. Onerous contracts and incurred claims liabilities are valued according to the general model. Liabilities for incurred claims are discounted if the expected settlement of claims takes place after one year from knowledge of the occurrence. In this case, the option of classifying the effect of changes in the discount rate in shareholders' equity is also applicable.

At each reporting date, the adjustment of liabilities in respect of the remaining coverage and incurred claims is recorded in the income statement.

The group applies the simplified approach to all property and casualty insurance products, and to a lesser extent to certain individual and collective Health and Protection products.

Main standard-setting options adopted by the group

Coverage unit for groups of insurance contracts

IFRS 17 defines the notion of coverage unit as a unit representing the "quantity of benefits [...] provided by the contracts". It specifies that "quantity of benefits" covers two aspects: the "quantity of benefits provided" and the "expected coverage period".

For each contract group, the group has determined a coverage unit to spread the contract service margin (CSM) over the various expected coverage periods, reflecting the quantity of benefits provided over these different periods.

For life and savings contracts, the coverage unit used to amortize the CSM corresponds to the mathematical reserve associated with each contract, adjusted for the impact of the actual return on the underlying investments compared to the risk-neutral actuarial projection.

For borrower protection policies valued according to the general model, the coverage unit used to amortize the CSM corresponds to the sum insured.

Effect of rates neutralized in OCI

Financial income or expense on insurance contracts in force will be presented separately between the income statement and shareholders' equity for those portfolios for which this breakdown is considered relevant, as permitted by the standard.

The group applies the option of neutralizing the effects of discount rates in shareholders' equity for personal protection contracts (borrower insurance, funeral insurance, long-term care insurance, etc.) and liabilities for claims arising from property-casualty contracts (personal accident insurance, means of payment, multi-risk property insurance, etc.).

Processing of internal costs

As a banking and insurance conglomerate, the group distributes savings and protection products (borrower insurance, car insurance, home insurance, etc.) and provides the management resources necessary for the operations of its insurance subsidiaries.

The services provided by the banking networks (business contributions, administrative management of contracts, provision of staff or assets, etc.) are compensated by margin commissions based on agreements between the distributing credit institutions and the insurance subsidiaries.

The new model for measuring insurance contracts under IFRS 17 requires a projection in the contract execution cash flows of the acquisition and management costs that will be paid in the future and a presentation in the income statement of, on the one hand, the release of estimated costs for the period and, on the other hand, of the actual costs incurred by the banking dealer networks.

Pursuant to the recommendations of the ESMA (32-63-1320) and the AMF (DOC-2022-06), the group adjusts the internal margin on the balance sheet and the income statement in order to reflect the valuation of insurance contracts, according to IFRS 17, at the level of the Crédit Mutuel group.

Presentation in the balance sheet and income statement

Insurance contracts issued and reinsurance contracts held are presented in the balance sheet as assets or liabilities depending on the overall position of the portfolios to which they belong (including debts and receivables attributable to the valuation of the contract);

The various income and expense items from insurance and reinsurance contracts are broken down in the consolidated income statement under net revenue, in:

- insurance service result:
  - income from insurance and reinsurance contracts issued,
  - service charges related to insurance and reinsurance contracts issued, and
  - income and expenses related to reinsurance contracts held;
- Insurance service financial result:
  - financial income and expenses from insurance and reinsurance contracts issued, and
  - financial income and expenses from reinsurance contracts held.

The income from insurance contracts shows the relaxation of execution flows for the amount expected over the period (excluding investment components), changes in the risk adjustment, the amortization of the contractual service margin in respect of services rendered, the amount allocated to the amortization of acquisition costs, and experience differences on premiums;

Service expenses relating to insurance and reinsurance contracts issued, as well as expenses relating to reinsurance contracts held, then include the share of general operating expenses and commissions directly attributable to the execution of contracts, which will thus be recognized as a deduction of net revenue. They also include the initial loss component and its amortization in the case of a portfolio of onerous contracts.

Retirement Savings insurance contracts include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually obliged to reimburse even if the insured event does not occur. The premiums and repayments of these deposits do not constitute income or expenses relating to these contracts.

Financial income and expenses from insurance and reinsurance contracts mainly include changes in the value of groups of contracts related to the effects of the time value of money and financial risks not included in the estimated cash flows.

Financial income or financial expenses from insurance contracts issued will be presented separately in the income statement and in shareholders' equity for the portfolios concerned.

Valuation of reinsurance treaties

Reinsurance held is treated in the same way as insurance contracts issued, either under the general model or the simplified model. The contractual service margin representing the expected gain or loss on reinsurance is negative, and contract performance flows include the reinsurer's risk of non-performance.

2.3 Non-financial instruments

2.3.1 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease granted by the group is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Ownership may or may not eventually be transferred.

An operating lease granted by the group represents any lease contract other than a finance lease.

2.3.1.1 Finance lease transactions – Lessor

In accordance with IFRS 16, finance lease transactions with non-group companies are reported in the consolidated balance sheet at their financial accounting amount. Finance lease transactions transfer substantially all the risks and rewards incidental to ownership of the leased asset to lessees.

And so, the analysis of the economic substance of the transaction results in:

- the leased asset exiting the balance sheet;
- the recognition of a receivable in “Financial assets at amortized cost”, for a present value, at the implicit contract rates, of the rental payments to be received under the finance lease contract, increased by any residual value not guaranteed returning to the lessor;
- the recognition of deferred taxes for existing temporary differences throughout the life of the finance lease;
- the recognition as net interest margin, of net revenue from the lease, this being representative of the constant periodic rate of return on the amounts outstanding.

Credit risk related to financial receivables is measured and recognized under IFRS 9 (see Section 2.1.8. “Measurement of credit risk”).

2.3.1.2 Finance lease transactions – Lessee

In accordance with IFRS 16, rights of use are capitalized under "Property, plant and equipment", with a corresponding lease liability recognized under "Accruals and miscellaneous liabilities". Rents paid are broken down between interest expenses and repayment of the principal amount of the debt.

2.3.2 Provisions

Provisions and reversals of provisions are classified by type under the corresponding item of income or expenditure.

A provision is recognized whenever it is probable that an outflow of resources representing economic benefits will be necessary to extinguish an obligation arising from a past event and when the amount of the obligation can be estimated accurately. Where applicable, the net present value of this obligation is calculated to determine the amount of the provision to be set aside.

The provisions constituted by the group cover, in particular:

- operational risks;
- social commitments;
- execution risk on signature commitments;
- litigation risk and guarantee commitments given;
- tax risks;
- risks related to mortgage saving agreements.

2.3.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under “Provisions”. The change is recognized in the income statement under “Employee benefit expense” with the exception of the portion resulting from the remeasurement of net liabilities arising from defined benefit plans, recognized in shareholders' equity.

2.3.3.1 Post-employment benefits under a defined benefit plan

These comprise the pension plans, early pension plans, and supplementary pension plans under which the group has a formal or implicit obligation to provide employees with predefined benefits.

These obligations are calculated using the projected unit credit method, which involves allocating entitlement to benefits to periods of service by applying the contractual formula for calculating plan benefits. Such entitlements are then discounted using demographic and financial assumptions such as:

- a discount rate, determined by reference to the long-term rate on private-sector borrowings consistent with the term of the commitments;
- the salary increase rate, assessed in accordance with age brackets and employee categories;
- inflation rates, estimated by comparing French treasury bond rates and inflation-linked French treasury bond rates at different maturities;
- staff turnover rates, determined by age bracket, using the three-year average for the ratio of resignations and dismissals relative to the year-end number of employees under permanent contracts;
- retirement age: estimated on a case-by-case basis using the actual or estimated date of commencement of full-time employment and the assumptions set out in the law reforming pensions, with a ceiling set at 67 years of age;
- mortality according to the INSEE TH/TF 00-02 table.

Differences arising from changes in these assumptions and from differences between previous assumptions and actual experience constitute actuarial gains or losses. When the plan has assets, they are measured at fair value and the interest income they generate has an impact on profit or loss. The difference between the actual return and the interest income generated by these assets is also an actuarial gain and loss.

Actuarial gains and losses are recognized in equity, as unrealized or deferred gains and losses. Any plan curtailments or terminations generate a change in the obligation, which is recognized in the income statement when it occurs.

In accordance with the IFRIC decision of April 20, 2021, the pension obligation under post-employment benefit plans, whose rights are capped on the basis of a number of years of service and subject to the presence of the employee on the date of retirement, is constituted solely over the period preceding the retirement age enabling the ceiling to be reached (or between the employee's date of entry into the company and the date of retirement if this period is shorter than the ceiling).

Pension reform enacted on April 15, 2023

In France, the changes brought about by the pension reform constitute a change in the retirement benefits plan, the impact of which in terms of past service cost has been recognized in the income statement.

2.3.3.2 Post-employment benefits under a defined contribution plan

Group entities contribute to various retirement plans managed by independent organizations, to which they have no formal or implicit obligation to make supplementary payments in the event, particularly, that the fund's assets are insufficient to meet its commitments.

Since such plans do not represent a commitment for the group, they are not subject to a provision. The charges are recognized in the period in which the contribution is due.

2.3.3.3 Other long-term benefits

These represent benefits other than post-employment benefits and termination benefits expected to be paid more than 12 months after the end of the fiscal year in which the staff rendered the corresponding service. They include, for example, long-service awards.

The group's commitment in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial gains and losses are recognized immediately in profit or loss.

Commitments in respect of long-service awards are sometimes covered by insurance contracts. Only the unhedged portion of this commitment is subject to a provision.

2.3.3.4 Termination benefits

These are benefits granted by the group when an employment contract is terminated before the usual retirement age or following the employee's decision to leave the group voluntarily in exchange for an indemnity.

The related provisions are discounted if payment is expected to take place more than 12 months after the reporting date.

2.3.3.5 Short-term benefits

These are benefits, other than termination benefits, payable within 12 months following the reporting date. They include salaries, social security contributions and certain bonuses.

A charge is recognized in respect of short-term benefits in the period in which the services giving rise to the entitlement to the benefit are provided to the entity.

2.3.4 Non-current assets

2.3.4.1 Non-current assets of which the group is owner

Non-current assets reported on the balance sheet include property, plant and equipment and intangible assets used in operations, as well as investment property. Operating assets are used for the production of services or for administrative purposes. Investment property consists of real estate assets held to generate rental income and/or capital gains. The historical cost method is used to recognize both operating and investment properties.

Non-current assets are initially recognized at acquisition plus any directly attributable costs necessary to make them operational and usable. They are subsequently measured at amortized historical cost, *i.e.* their cost less accumulated depreciation and any impairment.

When a non-current asset comprises several components likely to be replaced at regular intervals, with different uses or providing economic benefits over differing lengths of time, each component is recognized separately from the outset and is depreciated or amortized in accordance with its own depreciation schedule. The component approach was retained for operating buildings and investment properties.

The depreciable or amortizable amount of a non-current asset is determined after deducting its residual value, net of disposal costs. As the useful life of non-current assets is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Intangible assets with an indefinite useful life are not amortized.

Depreciation and amortization charges on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Depreciation charges on investment property are recognized under "Expenses on other activities" in the income statement.

The following depreciation and amortization periods are used:

Property, plant and equipment:

- Land and network improvements: 15-30 years;
- Buildings – shell: 20-80 years (depending on the type of building);
- Buildings – equipment: 10-40 years;
- Fixtures and fittings: 5-15 years;
- Office furniture and equipment: 5-10 years;
- Safety equipment: 3-10 years;
- Rolling stock: 3-5 years;
- IT equipment: 3-5 years.

Intangible assets:

- Software purchased or developed in-house: 1-10 years;
- Business goodwill acquired: 9-10 years (if customer contract portfolio acquired).

Depreciable and amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-amortizable intangible assets such as lease rights are tested for impairment at least once a year.

If an indication of impairment exists, the recoverable amount of the asset is compared to its net carrying amount. In the event of loss of value, a write-down is recognized on the income statement; it changes the depreciable or amortizing amount of the asset prospectively. The write-down is repaid in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. The net carrying amount following the reversal of an impairment provision cannot exceed the net carrying amount that would have been calculated if no impairment had been recognized.

Impairment charges and reversals on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Impairment charges and reversals on investment property are recognized in the income statement under "Expenses on other activities" and "Income from other activities", respectively.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains/(losses) on other assets".

Gains and losses on the disposal of investment property are recorded in the income statement on the line "Income from other activities" or "Expenses on other activities."

2.3.4.2 Non-current assets of which the group is lessee

For a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

In respect of the lessee, operating leases and finance leases will be recorded in a single model, with recognition of:

- an asset representing the right to use the leased property during the lease term;
- offset by a liability in respect of the lease payment obligation;
- straight-line depreciation of the asset and an interest expense in the income statement using the diminishing balance method.

The group mainly activates its real estate contracts. The motor fleet was only restated where it was locally significant and computer and safety equipment were not included due to the fact that they are replaceable, in accordance with the standard. Only a limited number of IT contracts, deemed to be significant, were deemed to be activated.

Other underlying assets were precluded through short-term or low value exemptions (set at €5 thousand). The group has no leases that give rise to recognition of intangible assets or investment properties.

Therefore, usage rights are recorded under "Property, plant and equipment", and lease obligations under "Other liabilities". Leasehold rights are reclassified as property, plant and equipment when they concern contracts that are not automatically renewable. Rights of use and lease obligations are the subject of deferred tax assets or liabilities for the net amount of taxable and deductible temporary differences.

In the income statement, interest charges appear in "Net interest margin" while depreciation/amortization is presented under the heading dedicated to general operating expenses.

For calculating the lease obligation, we use:

- the lease term. This represents at least the non-cancellable period of the contract and may be extended to take into account any renewal/extension option that the group is reasonably certain to exercise. With regard to the operational implementation of the group's methodology, any new 3/6/9 commercial lease will be activated for a period of nine years by default (or for a period equal to its non-cancellable period in the case of another type of lease). The term of any automatically extended contract will be extended to the end of the medium-term plan, which is a reasonable time frame for the continuation of the contract [1]. For the 3/6/9 leases in exception, the contract will be activated for a period of 12 years, as the group has no economic incentive to remain beyond this period, given the de-capping of leases after this period;
- the discount rate is the marginal rate of indebtedness corresponding to the chosen duration. It is a rate that is depreciable by the group's refinancing headquarters and by currency;

(1) Regional groups that directly manage the leases.

- the lease payment, excluding taxes. The group is marginally affected by variable lease payments.

2.3.5 Commissions

Fees and commissions in respect of services are recorded as income and expenses according to the nature of the services involved. Thus, commissions considered as additional interest are an integral part of the effective interest rate. These commissions are therefore recognized as interest income and expenses.

Fees and commissions linked directly to the grant of a loan are spread using the effective interest method.

Fees and commissions remunerating a service provided on a continuous basis are recognized over the period during which the service is provided.

Fees for one-off services are recognized in the income statement in full when the service is performed.

2.3.6 Income tax expense

The income tax expense includes all tax, both current and deferred, payable in respect of the income for the period under review.

The income tax payable is determined in accordance with applicable tax regulations.

The Territorial Economic Contribution (*Contribution économique territoriale* – CET), which is composed of the Business Real Estate Contribution (*Cotisation foncière des entreprises* – CFE) and the Business Contribution on Added Value (*Cotisation sur la valeur ajoutée des entreprises* – CVAE), is treated as an operating expense and, accordingly, the group does not recognize any deferred taxes in the consolidated financial statements.

2.3.6.1 Deferred tax

As required by IAS 12, deferred taxes are recognized in respect of temporary differences between the carrying amount of an asset or liability on the consolidated balance sheet and its taxable value, with the exception of goodwill.

Deferred taxes are calculated using the liability method, applying the income tax rate known at the end of the fiscal year and applicable to subsequent years.

Deferred tax assets net of deferred tax liabilities are recognized only when there is a high probability that they will be utilized. Current or deferred tax is recognized as income or an expense, except for that relating to unrealized or deferred gains and losses recognized in equity, for which the deferred tax is allocated directly to equity.

Deferred tax assets and liabilities are netted if they arise in the same entity or in the same tax group, are subject to the same tax authority and when there is a legal right to do so.

Deferred tax is not discounted.

2.3.6.2 Uncertainties over income tax treatment

In accordance with IFRIC 23, the group is assessing the probability of the tax authority accepting the tax position taken. It is assessing the likely effects on the result for tax purposes, tax bases, tax loss carryforwards, unused tax credits and rates of taxation.

In the event of an uncertain tax position, the amounts payable are estimated on the basis of the most likely amount or the expected amount according to the method that reflects the best estimate of the amount to be paid or received.

2.3.7 Interest paid by the State on certain loans

Pursuant to measures to support the agricultural and rural sector, as well as the purchase of housing, some group entities grant loans at reduced rates, which are set by the State. Consequently, these entities receive a subsidy from the government equal to the interest rate differential existing between the rate granted to customers and a predefined benchmark rate. As a result, no discounting occurs on loans that benefit from these grants.

The arrangements governing this offset mechanism are periodically reviewed by the State.

The government subsidies received are recognized under “Interest and similar income” and allocated over the life of the corresponding loans, in accordance with IAS 20.

2.3.8 Non-current assets held for sale and discontinued operations

Non-current assets, or groups of assets, are classified as held for sale if they are available for sale and there is a high probability that their sale will take place within the next 12 months.

The related assets and liabilities are shown separately in the balance sheet, on the lines “Non-current assets held for sale” and “Debt related to non-current assets held for sale”. They are recognized at the lower of their carrying amount and their fair value less selling costs, and are no longer depreciated or amortized.

Any impairment loss on such assets and liabilities is recognized in the income statement.

Discontinued operations consist of businesses held for sale or which have been discontinued, or subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line “Post-tax net gains and losses on discontinued operations”.

2.4 Judgments and estimates used in the preparation of the financial statements

The preparation of the group’s financial statements requires the formulation of assumptions in order to make the necessary assessments and involves risks and uncertainties concerning their realization in the future, particularly in the context of the Ukrainian conflict and the macroeconomic conditions existing at the reporting date.

The future outcome of such assumptions may be influenced by several factors, in particular:

- the activities of national and international markets;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- regulatory and legislative changes.

Accounting estimates requiring the formulation of assumptions are mainly used for the measurement of the following:

- the fair value of financial instruments not listed on an active market, the definition of a forced transaction and the definition of observable data require the exercise of judgment;
- insurance contracts, in particular with regard to future execution cash flows;
- pension plans and other future employee benefits;

- impairment of assets, including expected credit losses. To date, environmental risks are not captured in the group's expected credit loss impairment models;
- provisions, impairment of intangible assets and goodwill;
- deferred tax assets.

3. Related-party information

Parties related to the group are companies consolidated at the level of the Crédit Mutuel group as a whole, including the other establishments affiliated to the Confédération Nationale du Crédit Mutuel and equity consolidated companies.

Transactions carried out between the group and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of consolidated companies is presented in note 3. As transactions carried out and outstandings that exist at the end of the period between the group's consolidated companies are totally eliminated in consolidation, data pertaining to these reciprocal transactions is included in the attached tables only when concerning companies over which the group exercises joint control or significant influence, and is consolidated using the equity method.

4. Standards and interpretations adopted by the European Union and not yet applied

4.1 Standards and interpretations adopted by the European Union

Amendment to IFRS 16 on lease liabilities in a sale and leaseback transaction

It clarifies the subsequent treatment of the liability arising from such a transaction when the initial sale of the underlying asset meets the criteria of IFRS 15. The impact assessment related to this amendment is ongoing.

The group does not anticipate any material impact from this amendment, which will be mandatory for fiscal years beginning on or after January 1, 2024.

Note 2 Breakdown of the income statement by business line and geographic area

2a Breakdown of the balance sheet by business line

12/31/2023	Retail Banking	Insurance	Specialized businesses	Other business lines	Total
ASSETS					
Cash and central banks	10,764	-	6,686	80,055	97,504
Financial assets at fair value through profit or loss	674	-	30,546	2,672	33,892
Hedging derivatives	23	-	867	634	1,525
Financial assets at amortized cost including:	530,749	-	55,330	6,540	592,619
Loans and receivables due from credit institutions and similar at amortized cost	*52,703*		*8,108*	*6,031*	*66,843*
Loans and receivables due from customers at amortized cost	*477,663*		*43,785*	*503*	*521,951*
Securities at amortized cost	*383*		*3,437*	*6*	*3,825*
Financial assets at fair value through equity	922	-	19,423	16,802	37,147
Financial investments of insurance activities	-	130,997	-	-	130,997
Investments in equity consolidated companies	7	-	0	791	798
LIABILITIES					
Central banks	-	-	31	0	31
Financial liabilities at fair value through profit or loss	-	-	17,329	610	17,940
Hedging derivatives – Liabilities	53	-	786	1,165	2,003
Due to credit institutions	-	-	50,034	0	50,034
Due to customers	426,153	-	48,082	6,861	481,095
Debt securities	23,757	-	30,887	96,048	150,692

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2023	Banking network	Consumer loans	Business line subsidiaries	Total Retail Banking
ASSETS				
Cash and central banks	1,320	9,401	43	10,764
Financial assets at fair value through profit or loss	544	4	126	674
Hedging derivatives	23	0	0	23
Financial assets at amortized cost including:	449,257	39,688	41,803	530,749
Loans and receivables due from credit institutions and similar at amortized cost	*52,274*	*191*	*239*	*52,703*
Loans and receivables due from customers at amortized cost	*396,901*	*39,197*	*41,565*	*477,663*
Securities at amortized cost	*82*	*300*		*383*
Financial assets at fair value through equity	800	121	1	922
Investments in equity consolidated companies	7	-	-	7
LIABILITIES				
Central banks	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-
Hedging derivatives – Liabilities	53	-	-	53
Due to credit institutions	-	-	-	0
Due to customers	382,486	30,271	13,396	426,153
Debt securities	23,756	-	1	23,757

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2023	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
ASSETS					
Cash and central banks	4,812	1,874	-	-	6,686
Financial assets at fair value through profit or loss	235	2,667	23,300	4,343	30,546
Hedging derivatives	78	69	720	-	867
Financial assets at amortized cost including:	22,274	28,281	4,723	51	55,322
Loans and receivables due from credit institutions and similar at amortized cost	*965*	*3,921*	*3,193*	*29*	*8,108*
Loans and receivables due from customers at amortized cost	*19,509*	*22,777*	*1,498*	*1*	*43,777*
Securities at amortized cost	*1,800*	*1,583*	*32*	*22*	*3,437*
Financial assets at fair value through equity	102	11,040	8,281	-	19,423
Investments in equity consolidated companies	-	-	-	-	-
LIABILITIES					
Central banks	28	3	-	-	31
Financial liabilities at fair value through profit or loss	93	328	16,908	-	17,329
Hedging derivatives – Liabilities	14	13	759	-	786
Due to credit institutions	-	50,034	-	-	50,034
Due to customers	26,901	19,637	1,544	-	41,337
Debt securities	35	19,618	11,234	-	30,887

12/31/2022 restated	Retail Banking	Insurance	Specialized businesses	Other business lines	Total
ASSETS					
Cash, central banks, CCP - Assets	6,072	-	11,242	94,616	111,929
Financial assets at fair value through profit or loss	672	-	26,575	2,017	29,264
Hedging derivatives – Assets	55	-	1,620	2,552	4,226
Financial assets at amortized cost including:	505,839	-	50,453	6,424	562,705
Loans and receivables due from credit institutions	*45,089*		*6,131*	*5,952*	*57,173*
Loans and receivables due from customers	*460,361*		*41,280*	*466*	*502,097*
Securities at amortized cost	*388*		*3,042*	*6*	*3,436*
Financial assets at fair value through equity	865	-	17,632	16,026	34,522
Financial investments of insurance activities	-	122,096	-	-	122,096
Investments in equity consolidated companies	7	-	0	768	775
LIABILITIES					
Central banks	-	-	44	-	44
Financial liabilities at fair value through profit or loss	-	-	18,443	329	18,772
Hedging derivatives – Liabilities	3	-	1,097	1,403	2,502
Due to credit institutions	-	-	70,454	-	70,454
Due to customers	399,275	-	44,161	13,639	457,075
Debt securities	23,436	-	23,177	88,458	135,072

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2022 restated	Banking network	Consumer loans	Business line subsidiaries	Total Retail Banking
ASSETS				
Cash and central banks	1,516	4,524	32	6,072
Financial assets at fair value through profit or loss	552	3	116	672
Hedging derivatives	55	-	-	55
Financial assets at amortized cost including:	428,680	36,381	40,777	505,838
Loans and receivables due from credit institutions and similar at amortized cost	*44,578*	*146*	*366*	*45,089*
Loans and receivables due from customers at amortized cost	*384,014*	*35,936*	*40,411*	*460,360*
Securities at amortized cost	*89*	*299*		*388*
Financial assets at fair value through equity	651	213	1	865
Investments in equity consolidated companies	7	-	-	7
LIABILITIES				
Central banks	-	-	-	0
Financial liabilities at fair value through profit or loss	-	-	-	0
Hedging derivatives – Liabilities	-	-	3	3
Due to credit institutions	-	-	-	0
Due to customers	362,392	23,819	13,064	399,275
Debt securities	23,429	-	6	23,436

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2022 restated	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
ASSETS					
Cash and central banks	6,270	4,971	-	-	11,242
Financial assets at fair value through profit or loss	329	556	21,931	3,760	26,575
Hedging derivatives	94	145	1,381	-	1,620
Financial assets at amortized cost including:	21,517	25,319	3,568	48	50,453
Loans and receivables due from credit institutions and similar at amortized cost	*1,034*	*2,751*	*2,335*	*11*	*6,131*
Loans and receivables due from customers at amortized cost	*18,672*	*21,374*	*1,233*	*1*	*41,280*
Securities at amortized cost	*1,812*	*1,194*		*36*	*3,042*
Financial assets at fair value through equity	94	9,616	7,921	-	17,632
LIABILITIES					
Central banks	44	-	-	-	44
Financial liabilities at fair value through profit or loss	166	193	18,084	-	18,443
Hedging derivatives – Liabilities	23	-	1,074	-	1,097
Due to credit institutions	-	70,454	-	-	70,454
Due to customers	28,213	13,822	2,026	-	44,161
Debt securities	40	13,683	9,454	-	23,177

2b Breakdown of the income statement by business line

12/31/2023	Retail Banking	Insurance	Specialized businesses	Other business lines	Total
Net revenue	12,273	1,188	2,724	-125	16,060
General operating expenses	-7,836	-129	-1,359	151	-9,173
Gross operating income	**4,437**	**1,059**	**1,365**	**27**	**6,887**
Cost of counterparty risk	-1,049	0	-248	1	-1,296
Net gains and losses on other assets [1]	5	-5	10	60	71
Income before tax	**3,393**	**1,054**	**1,127**	**87**	**5,662**
Income tax	-965	-232	-267	-81	-1,546
Post-tax gains and losses on discontinued assets	0	0	0	0	0
Net income	**2,428**	**822**	**860**	**6**	**4,115**
Non-controlling interests	-	-	-	-	174
GROUP NET INCOME	**-**	**-**	**-**	**-**	**3,942**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2023	Banking network	Consumer loans	Business line subsidiaries	Total Retail bank
Net revenue	8,440	3,131	703	12,273
General operating expenses	-5,706	-1,691	-439	-7,836
Gross operating income	**2,734**	**1,439**	**264**	**4,437**
Cost of counterparty risk	-295	-746	-8	-1,049
Net gains and losses on other assets [1]	-1	6	0	5
Income before tax	**2,438**	**699**	**256**	**3,393**
Income tax	-658	-218	-89	-965
NET INCOME	**1,780**	**481**	**167**	**2,428**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

.6

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2023	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	1,285	629	465	345	2,724
General operating expenses	-862	-155	-257	-86	-1,359
Gross operating income	**423**	**474**	**208**	**259**	**1,365**
Cost of counterparty risk	-75	-168	-5	0	-248
Net gains and losses on other assets [1]	2	8	0	0	10
Income before tax	**350**	**315**	**204**	**259**	**1,127**
Income tax	-88	-120	-57	-2	-267
POST-TAX GAINS AND LOSSES ON DISCONTINUED ASSETS	**0**	**0**	**0**	**0**	**0**
Net income	**262**	**195**	**147**	**256**	**860**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

12/31/2022 restated	Retail Banking	Insurance	Specialized businesses	Other business lines	Total
Net revenue	12,074	1,206	2,361	-16	15,625
General operating expenses	-7,490	-113	-1,251	244	-8,610
Gross operating income	**4,584**	**1,093**	**1,110**	**229**	**7,015**
Cost of counterparty risk	-752	0	-24	8	-768
Net gains and losses on other assets [1]	12	-13	15	-1,207	-1,193
Income before tax	**3,843**	**1,080**	**1,101**	**-970**	**5,054**
Income tax	-1,093	-266	-183	-27	-1,569
Net income	**2,750**	**814**	**918**	**-997**	**3,485**
Non-controlling interests	-	-	-	-	170
Group net income	**-**	**-**	**-**	**-**	**3,315**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2022 restated	Banking network	Consumer loans	Business line subsidiaries	Total Retail Banking
Net revenue	8,474	2,960	640	12,074
General operating expenses	-5,474	-1,603	-413	-7,490
Gross operating income	**3,000**	**1,358**	**226**	**4,584**
Cost of counterparty risk	13	-724	-41	-752
Net gains and losses on other assets [1]	12	0	0	12
Income before tax	**3,024**	**633**	**186**	**3,843**
Income tax	-830	-206	-58	-1,093
Post-tax gains and losses on discontinued assets	-	-	-	-
Net income	**2,195**	**427**	**128**	**2,750**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2022 restated	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	1,119	471	342	430	2,361
General operating expenses	-794	-146	-236	-75	-1,251
Gross operating income	**326**	**324**	**106**	**355**	**1,110**
Cost of counterparty risk	-33	7	-1	2	-24
Net gains and losses on other assets [1]	15	-	-	-	15
Income before tax	**307**	**332**	**105**	**357**	**1,101**
Income tax	-67	-72	-28	-17	-183
Post-tax gains and losses on discontinued assets	-	-	-	-	0
Net income	**241**	**260**	**77**	**340**	**918**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

2c Balance sheet breakdown by geographic area

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries [1]	Total	France	Europe outside France	Other countries [1]	Total
ASSETS								
Cash, central banks	80,771	14,859	1,874	97,504	95,420	11,539	4,970	111,929
Financial assets at fair value through profit or loss	30,812	369	2,711	33,892	27,860	540	863	29,264
Hedging derivatives	1,416	78	30	1,525	4,050	94	82	4,226
Financial assets at amortized cost	511,843	69,597	11,179	592,619	487,092	65,319	10,294	562,705
of which loans and receivables due from credit institutions	*62,434*	*1,099*	*3,310*	*66,843*	*53,629*	*1,136*	*2,407*	*57,173*
of which loans and receivables due from customers	*447,997*	*66,084*	*7,869*	*521,951*	*432,449*	*61,761*	*7,887*	*502,097*
of which securities at amortized cost	*1,412*	*2,413*	*0*	*3,825*	*1,014*	*2,422*	*0*	*3,436*
Financial assets at fair value through equity	25,480	656	11,010	37,147	24,309	631	9,582	34,522
Financial investments of insurance activities	129,212	1,785	0	130,997	120,581	1,515	0	122,096
Investments in equity consolidated companies	652	11	135	798	635	9	131	775
LIABILITIES								
Central banks	0	28	3	31	0	44	0	44
Financial liabilities at fair value through profit or loss	17,474	241	224	17,940	18,005	325	442	18,772
Hedging derivatives	1,984	14	6	2,003	2,474	23	5	2,502
Due to credit institutions	24,140	14,604	11,290	50,034	43,725	17,625	8,832	70,182
Due to customers	413,620	63,907	3,569	481,095	394,381	58,614	3,989	456,983
Debt securities	134,440	6,177	10,076	150,692	122,724	1,356	10,991	135,072

(1) United States, Canada, Singapore, Hong Kong and Tunisia.

2d Breakdown of income statement by geographic area

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries [1]	Total	France	Europe outside France	Other countries [1]	Total
Net revenue [2]	11,937	3,897	226	16,060	11,887	3,494	244	15,625
General operating expenses	-6,897	-2,165	-111	-9,173	-6,464	-2,037	-110	-8,610
Gross operating income	**5,040**	**1,732**	**115**	**6,887**	**5,424**	**1,457**	**134**	**7,015**
Cost of counterparty risk	-628	-670	2	-1,296	207	-588	26	-768
Net gains and losses on other assets [3]	49	2	20	71	-1,202	-14	23	-1,193
Income before tax	**4,460**	**1,065**	**136**	**5,661**	**4,015**	**855**	**184**	**5,054**
Comprehensive income	3,254	756	102	4,113	2,733	596	156	3,485
GROUP NET INCOME	**3,106**	**735**	**101**	**3,942**	**2,588**	**574**	**153**	**3,315**

(1) United States, Canada, South Korea, Singapore, Hong Kong, and Tunisia.
(2) 25.4% of the net revenue (excluding Logistics and Holding) was generated abroad in 2023 (compared to 23.4% of the net revenue in 2022).
(3) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

Note 3 Consolidation scope

3a Composition of the scope of consolidation

- At January 1, 2022, the following insurance companies were deconsolidated following the introduction of thresholds during the operational implementation of IFRS 17: MTRL, SÉRÉNIS ASSURANCES, PARTNERS, ICM LIFE, ASTRÉE, ACM SERVICES, ACM COURTAGE, AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE, AMDIF, SL, ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, SL, ASISTENCIA AVANÇADA BCN, SL, ATLANTIS ASESORES, SL, ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, SA, TARGO PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES, SA, SCI ACM COTENTIN, SCI ACM TOMBE ISSOIRE.

Since December 31, 2022, the changes in the scope of consolidation are as follows:

- entries: KCIOP, Crédit Mutuel Impact (formerly Capital Privé), ACM Deutschland AG, ACM Deutschland life AG, ACM Deutschland non life AG, Fonds Révolution Environnementale et Solidaire, CIC Capital Belgium, Caroline 1, Crédit Mutuel Impact Forêts;
- disposal: Groupe Cholet Dupont, GACM España, GACM Seguros, Compañía de Seguros y Reaseguros SAU, Agrupació AMCI d'Assegurances i Reassegurances SA, Atlantis Vida, Compañía de Seguros y Reaseguros SA, TARGOBANK in Spain;
- modification: Branching of Cofidis Italy, change of name of Actimut to Immo CMM;
- dissolution: Inflection Point by La Française, La Française Forum Securities Limited.

	Country	12/31/2023 Percentage Control	12/31/2023 Percentage Interest	12/31/2023 Method*	12/31/2022 restated Percentage Control	12/31/2022 restated Percentage Interest	12/31/2022 restated Method*
A. BANKING NETWORK							
Banque Européenne du Crédit Mutuel (BECM)	France	100	98	FC	100	98	FC
Beobank	Belgium	100	99	FC	100	99	FC
Caisse Agricole du Crédit Mutuel	France	100	100	FC	100	100	FC
CIC Est	France	100	98	FC	100	98	FC
CIC Lyonnaise de Banque (LB)	France	100	98	FC	100	98	FC
CIC Lyonnaise de Banque Monaco (CIC LB branch)	Monaco	100	98	FC	100	98	FC
CIC Nord Ouest	France	100	98	FC	100	98	FC
CIC Ouest	France	100	98	FC	100	98	FC
CIC Sud Ouest	France	100	98	FC	100	98	FC
Crédit Industriel et Commercial (CIC)	France	100	98	FC	100	98	FC
TARGOBANK in Spain	Spain		-	NC	100	98	FC
B. CONSUMER LOANS							
Cofidis Belgium	Belgium	100	78	FC	100	79	FC
Cofidis France	France	100	78	FC	100	79	FC
Cofidis Spain (branch of Cofidis France)	Spain	100	78	FC	100	79	FC
Cofidis Hungary (branch of Cofidis France)	Hungary	100	78	FC	100	79	FC
Cofidis Portugal (branch of Cofidis France)	Portugal	100	78	FC	100	79	FC
Cofidis SA Poland (branch of Cofidis France)	Poland	100	78	FC	100	79	FC
Cofidis SA Slovakia (branch of Cofidis France)	Slovakia	100	78	FC	100	79	FC
Cofidis Italy (branch of Cofidis France)	Italy	100	78	FC	100	79	FC
Cofidis Czech Republic	Czech Republic	100	78	FC	100	79	FC
Creatis	France	100	78	FC	100	79	FC
Monabanq	France	100	78	FC	100	79	FC
Margem-Mediação Seguros, Lda	Portugal	100	78	FC	100	79	FC
TARGOBANK AG	Germany	100	98	FC	100	98	FC
C. BANKING NETWORK SUBSIDIARIES							
Bail Actéa	France	100	98	FC	100	98	FC
Bail Actéa Immobilier	France	100	98	FC	100	98	FC
CCLS Leasing Solutions	France	100	98	FC	100	98	FC
Crédit Mutuel Caution Habitat	France	100	98	FC	100	98	FC
Crédit Mutuel Factoring	France	100	98	FC	100	98	FC
Crédit Mutuel Home Loan SFH	France	100	98	FC	100	98	FC
Crédit Mutuel Immobilier	France	100	98	FC	100	98	FC
Crédit Mutuel Leasing	France	100	98	FC	100	98	FC
Crédit Mutuel Leasing Spain (branch of Crédit Mutuel Leasing)	Spain	100	98	FC	100	98	FC
Crédit Mutuel Leasing Benelux	Belgium	100	98	FC	100	98	FC
Crédit Mutuel Leasing Nederland (branch of Crédit Mutuel Leasing Benelux)	The Netherlands	100	98	FC	100	98	FC
Crédit Mutuel Leasing Gmbh	Germany	100	98	FC	100	98	FC
Crédit Mutuel Real Estate Lease	France	100	98	FC	100	98	FC
Factofrance	France	100	98	FC	100	98	FC
FCT Crédit Mutuel Factoring	France	100	98	FC	100	98	FC
FCT Factofrance	France	100	98	FC	100	98	FC

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method *	Percentage Control	Percentage Interest	Method*
Gesteurop	France	100	98	FC	100	98	FC
LYF SA	France	44	43	EM	44	43	EM
Paysurf	France	100	94	FC	100	94	FC
Targo Factoring GmbH	Germany	100	98	FC	100	98	FC
Targo Finanzberatung GmbH	Germany	100	98	FC	100	98	FC
Targo Leasing GmbH	Germany	100	98	FC	100	98	FC
D. CORPORATE BANKING AND CAPITAL MARKETS							
Banque Fédérative du Crédit Mutuel (BFCM)	France	98	98	FC	98	98	FC
Caroline 1	France	100	98	FC			NC
CIC Bruxelles (branch of CIC)	Belgium	100	98	FC	100	98	FC
CIC Hong Kong (branch of CIC)	Hong Kong	100	98	FC	100	98	FC
CIC London (branch of CIC)	United Kingdom	100	98	FC	100	98	FC
CIC New York (branch of CIC)	USA	100	98	FC	100	98	FC
CIC Singapore (branch of CIC)	Singapore	100	98	FC	100	98	FC
Satellite	France	100	98	FC	100	98	FC
E. ASSET MANAGEMENT AND PRIVATE BANKING							
Banque de Luxembourg	Luxembourg	100	98	FC	100	98	FC
Banque de Luxembourg Belgique (Banque de Luxembourg branch)	Belgium	100	98	FC	100	98	FC
Banque de Luxembourg Investments SA (BLI)	Luxembourg	100	98	FC	100	98	FC
Banque Transatlantique (BT)	France	100	98	FC	100	98	FC
Banque Transatlantique Belgium	Belgium	100	98	FC	100	98	FC
Banque Transatlantique London (branch of BT)	United Kingdom	100	98	FC	100	98	FC
Banque Transatlantique Luxembourg	Luxembourg	100	98	FC	100	98	FC
CIC Private debt	France	100	98	FC	100	98	FC
CIC (Suisse)	Switzerland	100	98	FC	100	98	FC
Cigogne Management	Luxembourg	100	98	FC	100	98	FC
Crédit Mutuel Asset Management	France	100	98	FC	97	96	FC
Crédit Mutuel Impact (formerly Capital Privé)	France	100	100	FC	-	-	NC
Crédit Mutuel Épargne Salariale	France	100	98	FC	100	98	FC
Crédit Mutuel Gestion	France	100	98	FC	100	96	FC
Crédit Mutuel Investment Managers	France	100	98	FC	100	98	FC
Crédit Mutuel Investment Managers Luxembourg branch	Luxembourg	100	98	FC	100	98	FC
Dubly Transatlantique Gestion	France	100	98	FC	100	98	FC
Groupe Cholet Dupont	France	-	-	NC	34	34	EM
Groupe La Française	France	100	100	FC	100	100	FC
Inflection Point by La Française	Great Britain	-	-	NC	100	100	FC
La Française AM	France	100	100	FC	100	100	FC
La Française AM Finance Services (LFFS)	France	100	100	FC	100	100	FC
La Française AM Finance Services Luxembourg branch (branch of LFFS)	Luxembourg	100	100	FC	100	100	FC
La Française AM Finance Services Italian branch (branch of LFFS)	Italy	100	100	FC	100	100	FC
La Française AM Finance Services branch in Spain (branch of LFFS)	Spain	100	100	FC	100	100	FC
La Française Forum Securities Limited	USA	-	-	NC	100	100	FC
La Française Group Korea Limited	South Korea	100	100	FC	100	100	FC
La Française Group UK Finance Limited	Great Britain	100	100	FC	100	100	FC

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
La Française Group UK Limited	Great Britain	100	100	FC	100	100	FC
La Française Real Estate Managers Germany Deutsche Zweigniederlassung (branch of La Française Group UK Limited)	Germany	100	100	FC	100	100	FC
La Française Group Singapore PTE Limited	Singapore	100	100	FC	100	100	FC
La Française Real Estate Managers	France	100	100	FC	100	100	FC
La Française Real Estate Partners International investments	Great Britain	99	99	FC	99	99	FC
La Française Real Estate Partners International Lux SARL	Luxembourg	100	100	FC	100	100	FC
La Française Sytematic Asset Management GmbH (formerly la Française AM GmbH)	Germany	100	100	FC	100	100	FC
LFP Multi Alpha	France	100	100	FC	100	100	FC
New Alpha Asset Management	France	51	51	FC	50	50	FC
Newton Square	France	100	100	FC	100	100	FC
PU Retail Luxembourg Management Company SARL	Luxembourg	50	50	FC	50	50	FC
F. PRIVATE EQUITY							
CIC Capital Belgium	Belgium	100	98	FC	-	-	NC
CIC Capital Canada Inc.	Canada	100	98	FC	100	98	FC
CIC Capital Deutschland Gmbh	Germany	100	98	FC	100	98	FC
CIC Capital Suisse SA	Switzerland	100	98	FC	100	98	FC
CIC Capital Ventures Quebec	Canada	100	98	FC	100	98	FC
CIC Conseil	France	100	98	FC	100	98	FC
Crédit Mutuel Capital	France	100	98	FC	100	98	FC
Crédit Mutuel Equity	France	100	98	FC	100	98	FC
Crédit Mutuel Equity SCR	France	100	98	FC	100	98	FC
Crédit Mutuel Innovation	France	100	98	FC	100	98	FC
G. OTHER BUSINESS LINES							
2SF Trust Services Company	France	33	30	EM	33	30	EM
Actéa Environnement	France	100	100	FC	100	100	FC
Affiches d'Alsace Lorraine	France	100	97	FC	100	97	FC
Alsacienne de Portage – DNA	France	100	97	FC	100	97	FC
Banque de Tunisie	Tunisia	35	35	EM	35	35	EM
Caisse Centrale du Crédit Mutuel	France	63	67	EM	63	67	EM
Centre de Conseil et de Service (CCS)	France	100	100	FC	100	100	FC
CIC Participations	France	100	98	FC	100	98	FC
Crédit Mutuel Impact Fôrets	France	100	93	FC	-	-	NC
Cofidis Group	France	80	78	FC	80	79	FC
EBRA Medias Rhone-Alpes PACA (formerly Groupe Dauphiné Media)	France	100	98	FC	100	98	FC
EBRA (formerly Société d'Investissements Médias (SIM))	France	100	98	FC	100	98	FC
EBRA Editions (formerly Les Éditions du Quotidien)	France	100	98	FC	100	98	FC
EBRA events	France	100	98	FC	100	98	FC
EBRA Info (formerly AGIR)	France	100	98	FC	100	98	FC
EBRA Medias Alsace	France	100	98	FC	100	97	FC
EBRA Medias Bourgogne Rhone-Alpes (formerly Publiprint Province n° 1)	France	100	98	FC	100	98	FC

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
EBRA Medias Lorraine Franche Comté	France	100	98	FC	100	98	FC
EBRA Portage Bourgogne Rhone-Alpes (formerly Presse Diffusion)	France	100	98	FC	100	98	FC
EBRA Productions	France	100	98	FC	100	98	FC
EBRA services	France	100	98	FC	100	98	FC
EBRA Studio (formerly Est Info TV)	France	100	98	FC	100	98	FC
EIP	France	100	100	FC	100	100	FC
Est Bourgogne Médias	France	100	98	FC	100	98	FC
Euro-Automatic Cash	Spain	50	45	EM	50	45	EM
Euro-Protection Surveillance	France	89	82	FC	89	82	FC
Euro-Information	France	90	90	FC	90	90	FC
Euro-Information Développements	France	100	90	FC	100	90	FC
Foncière Massena	France	100	88	FC	100	88	FC
Fonds Révolution Environnementale et Solidaire	France	100	93	FC	-	-	NC
France Régie	France	100	97	FC	100	97	FC
GEIE Synergie	France	100	78	FC	100	79	FC
GIE CMN Prestations	France	100	100	FC	100	100	FC
Groupe Progrès	France	100	98	FC	100	98	FC
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100	98	FC	100	98	FC
Humanoid	France	100	70	FC	100	70	FC
Immo CMM (formerly Actimut)	France	100	100	FC	100	100	FC
Immobilière BCL Lille	France	55	55	FC	55	55	FC
Journal de la Haute Marne	France	50	49	EM	50	49	EM
KCIOP	France	62	61	FC	-	-	NC
La Liberté de l'Est	France	100	98	FC	97	95	FC
La Tribune	France	100	98	FC	100	98	FC
Le Dauphiné Libéré	France	100	98	FC	100	98	FC
Le Républicain Lorrain	France	100	98	FC	100	98	FC
Les Dernières Nouvelles d'Alsace	France	99	97	FC	99	97	FC
L'Est Républicain	France	100	98	FC	100	98	FC
L'immobilère du CMN	France	100	100	FC	100	100	FC
Lumedia	Luxembourg	50	49	EM	50	49	EM
Lyf SAS	France	50	45	EM	50	45	EM
Madmoizelle	France	100	70	FC	100	70	FC
Media des massifs français (formerly NEWCO4)	France	68	67	FC	68	67	FC
Médiaportage	France	100	98	FC	100	98	FC
Mutuelles Investissement	France	100	98	FC	100	98	FC
Nord Europe Partenariat	France	100	100	FC	100	100	FC
Nord Europe Participations et Investissements	France	100	100	FC	100	100	FC
Oddity H.	France	71	70	FC	71	70	FC
Presstic Numerama	France	100	70	FC	100	70	FC
SAP Alsace	France	100	98	FC	100	98	FC
SCI 14 Rue de Londres	France	100	88	FC	100	88	FC
SCI ACM	France	100	88	FC	100	88	FC
SCI Centre Gare	France	100	100	FC	100	100	FC
SCI CMN	France	100	100	FC	100	100	FC
SCI CMN Locations	France	100	100	FC	100	100	FC
SCI CMN1	France	100	100	FC	100	100	FC

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
SCI CMN2	France	100	100	FC	100	100	FC
SCI CMN3	France	100	100	FC	100	100	FC
SCI La Tréflière	France	100	99	FC	100	99	FC
SCI Le Progrès Confluence	France	100	98	FC	100	98	FC
SCI Provence Lafayette	France	100	88	FC	100	88	FC
SCI Richebé Inkerman	France	100	100	FC	100	100	FC
SCI Saint Augustin	France	100	88	FC	100	88	FC
SFINE Bureaux	France	100	100	FC	100	100	FC
SFINE Propriété à vie	France	100	100	FC	100	100	FC
Société d'Édition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100	98	FC	100	98	FC
Société Foncière et Immobilière Nord Europe	France	100	100	FC	100	100	FC
Targo Deutschland GmbH	Germany	100	98	FC	100	98	FC
Targo Dienstleistungs GmbH	Germany	100	98	FC	100	98	FC
Targo Technology GmbH	Germany	100	98	FC	100	98	FC
Targo Versicherungsvermittlung Gmbh	Germany	100	98	FC	100	98	FC
Transactimmo	France	100	100	FC	100	100	FC
H. INSURANCE COMPANIES							
ACM Belgium Life SA (formerly NELB)	Belgium	100	88	FC	100	89	FC
ACM Capital	France	100	88	FC	100	88	FC
ACM GIE	France	100	88	FC	100	89	FC
ACM IARD	France	97	85	FC	97	85	FC
ACM VIE SA	France	100	88	FC	100	89	FC
ACM VIE, Société d'Assurance Mutuelle	France	100	100	FC	100	100	FC
ACM Deutschland Life AG	Germany	100	93	FC	-	-	NC
ACM Deutschland non Life AG	Germany	100	93	FC	-	-	NC
ACM Deutschland AG	Germany	100	93	FC	-	-	NC
Agrupació AMCI d'Assegurances i Reassegurances SA	Spain	-	-	NC	95	84	FC
Atlantis Vida, Compañía de Seguros y Reaseguros SA	Spain	-	-	NC	88	79	FC
GACM España	Spain	-	-	NC	100	89	FC
GACM Seguros, Compañía de Seguros y Reaseguros, Sau	Spain	-	-	NC	100	89	FC
Groupe des Assurances du Crédit Mutuel (GACM)	France	90	88	FC	90	89	FC

(1) FC = full consolidation; EM = equity method; NC = not consolidated. M = Merged

3b Information on entities included in the consolidation scope

Article L.511-45 of the French Monetary and Financial Code requires credit institutions to publish information on their establishments and their activities in each state or territory. Each establishment's country is mentioned in the scope of consolidation.

The group does not have offices that meet the criteria defined by the Order of October 6, 2009 in the non-cooperative States or territories included on the list set by the Order of October 23, 2023.

Country	Net revenue	Income (loss) before tax	Current tax	Deferred tax	Other taxes and social security contributions	Workforce	Public subsidies
Germany	1,966	779	-191	-25	-134	5,685	0
Belgium	489	174	-37	17	-58	1,511	0
Canada	-8	-12	0	2	0	9	0
Spain	272	12	-1	0	-22	1,663	0
United States of America	132	90	-27	0	-13	95	0
France	11,937	6,306	-1,223	16	-1,851	57,736	0
Hong Kong	15	9	-1	0	-2	19	0
Hungary	39	-4	-1	0	-4	359	0
Italy	131	14	-1	8	-7	348	0
Luxembourg	433	178	-34	1	-35	1,043	0
Monaco	10	6	1	0	0	19	0
The Netherlands	2	2	0	0	0	1	0
Poland	9	-7	0	-1	-2	101	0
Portugal	191	74	-20	0	-9	695	0
Republic of Korea	1	0	0	0	0	2	0
Czech Republic	17	-1	0	0	-2	157	0
United Kingdom	71	58	-13	0	-5	84	0
Singapore	87	51	-7	0	-7	145	0
Slovakia	9	-4	0	0	-1	85	0
Switzerland	256	84	-5	-5	-15	430	0
Tunisia [1]	0	20	0	0	0	0	0
TOTAL	**16,060**	**7,828**	**-1,559**	**13**	**-2,166**	**70,187**	**0**

(1) *Entity consolidated using the equity method.*

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3c Fully consolidated entities with significant non-controlling interests

12/31/2023	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities [1]			
	Percentage of interest/ Percentage of voting rights	Net profit/ (loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Euro-Information	10%	11	227	0	2,635	106	0	1,659
Groupe des Assurances du Crédit Mutuel (GACM)	12%	91	996	-114	125,287	748	505	1,076
Cofidis Belgium	22%	2	NA [2]	0	1,331	11	1	101
Cofidis France	22%	9	NA [2]	0	11,957	44	-3	565

(1) Amounts before elimination of intercompany balances and transactions.

(2) In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis GROUP (formerly Participations) to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the remaining balance.

12/31/2022 restated	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities [1]			
	Percentage of interest/ Percentage of voting rights	Net profit/ (loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Euro-Information	10%	11	218	0	2,550	143	0	1,520
Groupe des Assurances du Crédit Mutuel (GACM)	11%	95	1,042	-41	118,814	771	20	1,145
Cofidis Belgium	21%	2	NA [2]	0	1,155	10	5	100
Cofidis France	21%	14	NA [2]	0	11,701	39	20	549

(1) Amounts before elimination of intercompany balances and transactions.

(2) In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis GROUP (formerly Participations) to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the remaining balance.

3d Equity investments in structured non-consolidated entities

Asset financing

The group grants loans to structured entities whose sole purpose is to hold assets to be leased; the rents received enable the structured entity to repay its borrowings. These entities are dissolved following the financing transaction. The group is generally the sole shareholder.

For this category, the maximum exposure to losses in respect of the structured entities corresponds to the carrying amount of the structured entity's financed asset.

Collective investment undertakings or funds

The group acts as fund manager and custodian. It offers its fund clients in which its purpose is not to invest. The group markets and manages these funds, dedicated or public, and is paid for this by commissions.

For certain funds offering guarantees to unitholders, the group may be the counterparty to swaps put in place. In the exceptional cases where the group is both the manager and investor in such a way that it may be assumed to be acting primarily for proprietary trading, this entity would then be brought within the scope of consolidation.

An interest in a structured non-consolidated entity is a contractual or non-contractual relationship that exposes the group to the variable yields associated with the performance of the entity.

The group's risk is essentially an operational risk of failure to meet its management mandate or its mandate as custodian and, where applicable, the group is also exposed to risk up to the amounts invested.

No financial support has been granted to the structured entities of the group during the fiscal year.

	12/31/2023			12/31/2022 restated		
	Securitization vehicle (SPV)	Asset management (UCITS/REIT) [1]	Other structured entities [2]	Securitization vehicle (SPV)	Asset management (UCITS/REIT) [1]	Other structured entities [2]
Balance sheet total	0	34,395	2,845	0	22,851	2,537
Carrying amounts of financial assets	0	17,621	1,034	0	12,176	1,036

(1) The amounts indicated concern UCITS held at more than 20% and which the group manages, including account units held by insured parties.

(2) The other structured entities correspond to asset financing entities.

3e Assets, liabilities and profit/(loss) from non-current activities held for sale

	12/31/2023	12/31/2022 restated
Non-current assets held for sale	-	4,897
Non-current liabilities held for sale	-	3,622
Post-tax gains/(losses) on discontinued operations	0	0

As of December 31, 2022, the assets and liabilities of the following companies were reclassified under IFRS 5 as "Assets and liabilities held for sale":

- GACM España, following the signature on December 13, 2022 of an agreement between GACM and Axa Seguros Generales, SA de Seguros y Reaseguros (Axa Spain) for the sale by GACM SA of 100% of the capital of GACM España to Axa Spain. This sale was completed on July 12, 2023;
- TARGOBANK in Spain, following the announcement that the group had entered into exclusive negotiations with ABANCA on December 22, 2022, with a view to the sale of TARGOBANK in Spain by BFCM, which was completed on October 6, 2023;
- Cholet Dupont, a subsidiary of the La Française Group, was sold in the first half of 2023.

	12/31/2023	12/31/2022 restated
Cash and central banks	0	241
Financial assets at fair value through profit or loss	0	1
Hedging derivatives	0	14
Financial assets at fair value through equity	0	0
Securities at amortized cost	0	0
Loans and receivables due from credit institutions and similar at amortized cost	0	458
Loans and receivables due from customers at amortized cost	0	3,320
Revaluation adjustment on rate-hedged books	0	0
Financial investments of insurance activities	0	846
Insurance contracts issued - Assets	0	
Reinsurance contracts held - Assets	0	23
Current tax assets	0	1
Deferred tax assets	0	24
Accruals and miscellaneous assets	0	71
Non-current assets held for sale	0	15
Postponed profit sharing	0	0
Investments in equity consolidated companies	0	23
Investment property	0	0
Property, plant and equipment	0	75
Intangible assets	0	9
Goodwill	0	46
Fair value measurement of assets held for sale	0	-270
Non-current assets held for sale	**0**	**4,897**
Due to credit and similar institutions at amortized cost	0	411
Due to customers at amortized cost	0	2,429
Revaluation adjustment on rate-hedged books	0	14
Current tax liabilities	0	16
Deferred tax liabilities	0	0
Accruals and miscellaneous liabilities	0	162
Debt related to non-current assets held for sale	0	0
Liabilities related to insurance contracts	0	520
Provisions	0	30
Subordinated debt at amortized cost	0	40
Debt related to non-current assets held for sale	**0**	**3,622**

Note 4 Cash and central banks (assets/liabilities)

	12/31/2023	12/31/2022 restated
Cash, central banks – asset		
Central banks	96,426	110,601
of which mandatory reserves	2,836	2,618
Local bank	1,078	1,329
Total	**97,504**	**111,929**
Central banks – liability	**31**	**44**

Note 5 Financial assets and liabilities at fair value through profit or loss

5a Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022 restated			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**8,269**	**805**	**6,734**	**15,808**	**6,315**	**733**	**5,589**	**12,637**
■ Government securities	694	0	0	694	1,034	0	0	1,034
■ Bonds and other debt securities	6,311	805	643	7,759	4,550	733	551	5,834
Listed	*6,311*	*0*	*11*	*6,322*	*4,550*	*26*	*161*	*4,737*
Non-listed	*0*	*805*	*632*	*1,437*	*0*	*707*	*390*	*1,097*
of which UCIs	*0*	*0*	*406*	*406*	*0*	*0*	*515*	*515*
■ Shares and other capital instruments	1,264	0	4,953	6,217	731	0	4,129	4,860
Listed	*1,264*	*0*	*1,115*	*2,379*	*731*	*0*	*1,041*	*1,772*
Non-listed	*0*	*0*	*3,838*	*3,838*	*0*	*0*	*3,088*	*3,088*
■ Long-term investments	0	0	1,138	1,138	0	0	909	909
Equity investments	*0*	*0*	*442*	*442*	*0*	*0*	*371*	*371*
Other long-term investments	*0*	*0*	*101*	*101*	*0*	*0*	*166*	*166*
Investments in subsidiaries and associates	*0*	*0*	*571*	*571*	*0*	*0*	*347*	*347*
Other long-term investments	*0*	*0*	*24*	*24*	*0*	*0*	*25*	*25*
Derivative instruments	**5,634**	**0**	**0**	**5,634**	**6,869**	**0**	**0**	**6,869**
Loans and receivables	**12,407**	**0**	**17**	**12,424**	**9,743**	**0**	**14**	**9,757**
of which pensions	12,407	0	0	12,407	9,743	0	0	9,743
Other assets classified at FVPL	**26**	**0**	**0**	**26**	**0**	**0**	**0**	**0**
TOTAL	**26,336**	**805**	**6,751**	**33,892**	**22,928**	**733**	**5,603**	**29,264**

LIST OF MAIN NON-CONSOLIDATED EQUITY INVESTMENTS RECOGNIZED AT FAIR VALUE THROUGH PROFIT OR LOSS

		% held	FV at 12/31/2023	Shareholders' equity	Balance sheet total	NBI or Revenues	Net profit/(loss)
Crédit Logement	Unlisted	5%	74	1,593	12,553	216	120
CRH (Caisse de Refinancement de l'Habitat)	Unlisted	10%	63	604	16,793	4	1
Groupement Forestier Vosges Nord [1]	Unlisted	87%	219	27	27	2	< 1

The figures (except the percentage held) relate to fiscal year 2022.

(1) Acquisition in 2023 by Crédit Mutuel Impact Forêts.

ERRATUM: BMCE securities have been downgraded to short-term investment securities since 2018, but wrongly included in the list of investments in previous years.

5b Financial liabilities at fair value through profit or loss

	12/31/2023	12/31/2022 restated
Financial liabilities held for trading	17,794	18,615
Financial liabilities at fair value through profit or loss on option	146	157
TOTAL	**17,940**	**18,772**

FINANCIAL LIABILITIES HELD FOR TRADING

	12/31/2023	12/31/2022 restated
Short sales of securities	769	1,365
■ Bonds and other debt securities	176	646
■ Shares and other capital instruments	593	719
Debts in respect of securities sold under repurchase agreements	11,020	9,748
Trading derivatives	5,433	6,815
Other financial liabilities held for trading	572	687
TOTAL	**17, 794**	**18,615**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ON OPTION

	12/31/2023			12/31/2022 restated		
	Carrying amount	Amount due	Difference	Carrying amount	Amount due	Difference
Interbank debt	84	84	0	133	133	0
Due to customers	62	62	0	24	24	0
TOTAL	**146**	**146**	**0**	**157**	**157**	**0**

.6

5c Analysis of trading derivatives

	12/31/2023			12/31/2022 restated		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Rate instrument	184,824	3,375	3,332	169,042	4,686	4,605
Swaps	85,769	2,642	2,980	79,024	3,163	4,033
Other firm contracts	56,227	0	0	53,697	0	0
Options and conditional instruments	42,828	733	352	36,321	1,523	572
Foreign exchange instrument	155,929	2,039	1,885	150,634	1,917	1,909
Swaps	105,189	47	72	101,188	45	144
Other firm contracts	13,673	1,758	1,579	12,705	1,566	1,459
Options and conditional instruments	37,067	234	234	36,741	306	306
Other derivatives	19,156	220	218	22,131	267	303
Swaps	6,711	83	98	7,040	50	110
Other firm contracts	8,541	44	57	9,923	100	85
Options and conditional instruments	3,904	93	63	5,168	117	108
TOTAL	**359,909**	**5,634**	**5,435**	**341,807**	**6,869**	**6,816**

Swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

Note 6 Hedging

6a Hedging derivatives

	12/31/2023			12/31/2022 restated		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Fair Value Hedges	268,338	1,525	2,003	223,945	4,226	2,502
Swaps	268,337	1,525	2,003	223,933	4,226	2,502
Other firm contracts	0	0	0	0	0	0
Options and conditional instruments	1	0	0	12	0	0
TOTAL	**268,338**	**1,525**	**2,003**	**223,945**	**4,226**	**2,502**

Swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

MATURITY SCHEDULE OF THE NOMINAL VALUE OF HEDGING DERIVATIVES

12/31/2023	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2023
Fair Value Hedges	16,747	26,522	143,600	81,469	268,338
Swaps	16,747	26,522	143,600	81,469	268,337
Other firm contracts	0	0	0	0	0
Options and conditional instruments	0	0	1	0	1
TOTAL	**16,747**	**26,522**	**143,600**	**81,469**	**268,338**

12/31/2022 restated	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2022
Fair Value Hedges	9,560	17,905	129,102	67,377	223,945
Swaps	9,550	17,906	129,101	67,377	223,933
Other firm contracts	0	0	0	0	0
Options and conditional instruments	11	0	1	0	12
TOTAL	**9,560**	**17,905**	**129,102**	**67,377**	**223,945**

6b Revaluation adjustment on rate-hedged books

	12/31/2023	12/31/2022 restated
FAIR VALUE OF PORTFOLIO INTEREST RATE RISK		
■ in financial assets	-2,086	-6,904
■ in financial liabilities	-27	-14

6c Fair Value Hedged items

ASSET ITEMS HEDGED

	12/31/2023			12/31/2022 restated		
	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Loans and receivables due from credit institutions at amortized cost	2,994	0	0	2,487	0	0
Customer loans at amortized cost	305,135	-2,090	4,952	208,848	-7,043	-8,165
Securities at amortized cost	1,134	-55	42	1,125	-97	-124
Financial assets at FVOCI	21,198	-412	674	20,259	-1,086	-2,268
TOTAL	**330,461**	**-2,557**	**5,668**	**232,719**	**-8,225**	**-10,558**

LIABILITY ITEMS HEDGED

	12/31/2023			12/31/2022 restated		
	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Debt securities	75,437	-2,393	2,456	65,116	-4,849	-5,262
Due to credit institutions	17,957	-879	736	36,403	-1,615	-2,017
Due to customers	24,770	-31	32	55,142	-63	-77
TOTAL	**118,164**	**-3,303**	**3,224**	**156,662**	**-6,527**	**-7,356**

Note 7 Financial assets at fair value through shareholders' equity.

	12/31/2023	12/31/2022 restated
Government securities	11,616	10,873
Bonds and other debt securities	24,621	22,768
■ Listed	23,677	21,725
■ Non-listed	944	1,043
Receivables related	271	194
Debt securities subtotal, gross	**36,508**	**33,835**
Of which impaired debt securities (S3)	3	0
Impairment of performing loans (S1/S2)	-20	-19
Other impairment (S3)	-3	0
Debt securities subtotal, net	**36,485**	**33,816**
Shares and other capital instruments	124	216
■ Listed	0	1
■ Non-listed	124	215
Long-term investments	538	491
■ Equity investments	99	91
■ Other long-term investments	387	342
■ Investments in subsidiaries and associates	52	58
Subtotal, equity instruments	**662**	**706**
TOTAL	**37,147**	**34,522**
Of which unrealized capital gains or losses recognized under shareholders' equity	-36	29
Of which listed equity investments	0	0

Note 8 Fair value hierarchy of financial instruments carried at fair value on the balance sheet

12/31/2023	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS IFRS 9 – EXCLUDING INSURANCE				
Fair value through equity	32,255	4,195	696	37,147
Government and equivalent securities	11,590	72	36	11,697
Bonds and other debt securities	20,665	4,122	0	24,787
Shares and other capital instruments	0	2	122	124
Investments and other long-term securities	0	0	487	487
Investments in subsidiaries and associates	0	0	52	52
Trading/Fair value option/Other	7,849	18,418	7,598	33,865
Government securities and similar instruments – Trading	582	112	0	694
Bonds and other debt securities – Trading	4,628	1,061	621	6,310
Bonds and other debt securities – Fair value option	0	0	805	805
Bonds and other debt securities – Other FVPL	206	429	9	644
Shares and other equity instruments – Trading	1,264	0	0	1,264
Shares and other equity instruments – Other FVPL[1]	1,115	0	3,838	4,953
Investments and other long-term securities – Other FVPL	5	0	538	543
Investments in subsidiaries and associates – Other FVPL	0	0	595	595
Loans and receivables due from customers – Other FVPL	0	12,407	0	12,407
Loans and receivables due from customers – Trading	0	17	0	17
Derivatives and other financial assets – Trading	50	4,392	1,192	5,634
Other assets classified at FVPL	0	0	0	0
Hedging derivatives	1	1,521	2	1,525
TOTAL	**40,105**	**24,135**	**8,297**	**72,537**
FINANCIAL ASSETS IFRS 9 – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	69,827	6,716	1,586	78,130
Government and equivalent securities	30,761	219	0	30,980
Bonds and other debt securities	36,930	522	0	37,451
Shares and other capital instruments	1,218	16	0	1,234
Investments and other long-term securities	918	0	1,586	2,504
Investments in subsidiaries and associates	0	0	0	0
Loans and receivables - FVTPL	0	5,960	0	5,960
Trading/Fair value option/Other	37,713	12,146	62	49,921
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	161	7	0	168
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	23,304	5,302	0	28,606
Shares and other equity instruments – Trading	0	0	0	0
Shares and other capital instruments – Other FVPL	14,247	6,266	62	20,575
Loans and receivables - Other FVPL	0	209	0	209
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Operating properties – Other FVPL	0	362	0	362
Hedging derivatives	0	0	0	0
Non-operating properties OFVPL	0	2,768	0	2,768
TOTAL	**107,540**	**21,631**	**1,648**	**130,819**

12/31/2023	Level 1	Level 2	Level 3	Total
FINANCIAL LIABILITIES IFRS 9				
Trading/Fair value option	1,254	15,157	1,528	17,940
Due to credit institutions – Fair value option	0	84	0	84
Amounts due to customers – Fair value option	0	62	0	62
Debt securities – Fair value option	0	0	0	0
Subordinated debt – Fair value option	0	0	0	0
Debt – Trading	0	11,020	0	11,020
Derivatives and other financial liabilities – Trading	1,254	3,991	1,528	6,774
Hedging derivatives	0	1,994	9	2,003
TOTAL	**1,254**	**17,152**	**1,537**	**19,943**

(1) Includes the equity investments held by the group's private equity companies.

- level 1: price quoted in an active market;
- level 2: prices quoted in active markets for similar instruments, and valuation method in which all significant inputs are based on observable market information;
- level 3: valuation based on internal models containing significant unobservable inputs.

Instruments in the trading portfolio classified under levels 2 or 3 mainly consist of derivatives and securities considered as illiquid.

All of these instruments include uncertainties of valuation, which give rise to adjustments in value reflecting the risk premium that a market player would incorporate in establishing the price.

These valuation adjustments make it possible to integrate risks that would not be captured by the model, the liquidity risks associated with the instrument or parameter in question, and specific risk premiums intended to compensate certain additional costs resulting from the dynamic management strategy associated with the model under certain market conditions and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter includes the counterparty risk itself present in the fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Fair value hierarchy – Level 3	Opening	Pur-chases	Sales/ repayments	Transfers	Gains and losses in the income statement	Gains and losses in equity	Other movement	Closing
Shares and other capital instruments – Other FVPL	3,088	417	-79	-3	317	0	99	3,838

12/31/2022 restated	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS IFRS 9 – EXCLUDING INSURANCE				
Fair value through equity	30,565	3,188	768	34,522
Government and equivalent securities	10,598	289	59	10,946
Bonds and other debt securities	19,966	2,898	6	22,870
Shares and other capital instruments	1	2	213	216
Investments and other long-term securities	0	0	433	433
Investments in subsidiaries and associates	0	0	58	58
EC Loans and Receivables - FVTPL	0	0	0	0
Customer loans and receivables - FVTPL	0	0	0	0
Trading/Fair value option/Other	5,734	16,216	7,314	29,264
Government securities and similar instruments – Trading	1,025	0	9	1,034
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	0	0	0	0
Bonds and other debt securities – Trading	2,725	1,670	156	4,550
Bonds and other debt securities – Fair value option	26	0	707	734
Bonds and other debt securities – Other FVPL	162	373	17	551
Shares and other equity instruments – Trading	731	0	0	731
Shares and other equity instruments – Other FVPL(1)	1,041	0	3,088	4,128
Investments and other long-term securities – Other FVPL	1	0	536	538
Investments in subsidiaries and associates – Other FVPL	0	0	371	371
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Loans and receivables due from customers – Trading	0	0	0	0
Loans and receivables due from customers – Other FVPL	0	9,743	0	9,743
Loans and receivables due from customers – Fair value option	0	14	0	14
Derivatives and other financial assets – Trading	24	4,415	2,430	6,869
Other assets classified at FVPL	0	0	0	0
Hedging derivatives	3	4,221	2	4,226
TOTAL	**36,303**	**23,625**	**8,084**	**68,012**

12/31/2022 restated	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS IFRS 9 – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	62,872	8,002	1,299	72,173
Government and equivalent securities	26,930	230	0	27,160
Bonds and other debt securities	34,608	560	0	35,168
Shares and other capital instruments	1,030	27	0	1,057
Investments and other long-term securities	305	0	1,299	1,604
Investments in subsidiaries and associates	0	0	0	0
Loans and receivables - FVTPL	0	7,184	0	7,184
Trading/Fair value option/Other	33,380	12,282	93	45,755
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	146	6	0	153
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	20,153	5,268	0	25,421
Shares and other equity instruments – Trading	0	0	0	0
Shares and other capital instruments – Other FVPL	13,080	6,385	90	19,556
Investments and other long-term securities – Other FVPL	0	0	3	3
Investments in subsidiaries and associates – Other FVPL	0	0	0	0
Loans and receivables - Fair value option	0	0	0	0
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables - Other FVPL	0	203	0	203
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Operating properties – Other FVPL	0	419	0	419
Hedging derivatives	0	0	0	0
Non-operating properties OFVPL	0	3,194	0	3,194
TOTAL	**96,252**	**23,477**	**1,393**	**121,122**
FINANCIAL LIABILITIES IFRS 9				
Trading/Fair value option	2,038	14,247	2,487	18,772
Due to credit institutions – Fair value option	0	133	0	133
Amounts due to customers – Fair value option	0	24	0	24
Debt securities – Fair value option	0	0	0	0
Subordinated debt – Fair value option	0	0	0	0
Debt – Trading	0	9,748	0	9,748
Derivatives and other financial liabilities – Trading	2,038	4,343	2,487	8,868
Hedging derivatives	0	2,490	13	2,502
TOTAL	**2,038**	**16,737**	**2,500**	**21,275**

(1) Includes the equity investments held by the group's private equity companies.

Note 9 Note on securitization outstandings

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on FSB recommendations. Trading and fair value securities portfolios through equity were valued at market price from external data coming from organized markets, primary brokers, or when no other price is available, from comparable securities listed on the market.

	Carrying amount	Carrying amount
Summary	**12/31/2023**	**12/31/2022 restated**
RMBS	1,356	1,255
CMBS	0	0
CLO	3,851	3,996
Other ABS	3,494	3,199
TOTAL	**8,701**	**8,450**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures at 12/31/2023	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	116	0	0	97	213
Amortized cost	19	0	31	1,736	1,786
Fair value – Others	1	0	306	60	366
Fair value through equity	1,220	0	3,514	1,601	6,335
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
France	543	0	841	1,123	2,507
Spain	58	0	0	230	288
United Kingdom	156	0	120	165	441
Europe excluding France, Spain and the UK	529	0	249	1,231	2,009
United States	2	0	2,641	585	3,228
Other	68	0	0	161	228
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
US Branches	0	0	0	0	0
AAA	1,326	0	3,527	1,573	6,427
AA	19	0	241	539	799
A	9	0	83	3	94
BBB	0	0	0	0	0
BB	0	0	0	1	1
B or below	2	0	0	7	9
Not rated	0	0	0	1,371	1,371
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
Origination 2005 and earlier	7	0	0	0	7
Origination 2006-2008	16	0	0	7	23
Origination 2009-2011	0	0	0	0	0
Origination 2012-2023	1,332	0	3,851	3,487	8,671
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**

Exposures at 12/31/2022	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	145	0	0	206	351
Amortized cost	26	0	337	1,516	1,879
Fair value – Others	1	0	0	0	1
Fair value through equity	1,083	0	3,659	1,477	6,219
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**
France	560	0	786	930	2,275
Spain	95	0	0	328	423
United Kingdom	6	0	175	163	344
Europe excluding France, Spain and the UK	474	0	279	1,080	1,832
United States	5	0	2,756	567	3,328
Other	116	0	0	133	248
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**
US Branches	0	0	0	0	0
AAA	1,174	0	3,722	1,308	6,204
AA	63	0	199	644	906
A	10	0	75	4	89
BBB	5	0	0	0	5
BB	0	0	0	0	0
B or below	2	0	0	7	9
Not rated	0	0	0	1,237	1,237
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**
Origination 2005 and earlier	9	0	0	0	9
Origination 2006-2008	24	0	0	7	31
Origination 2009-2011	7	0	0	0	7
Origination 2012-2022	1,215	0	3,996	3,192	8,403
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**

Note 10 Financial assets at amortized cost

	12/31/2023	12/31/2022 restated
Securities at amortized cost	3,825	3,436
Loans and receivables due from credit institutions	66,843	57,173
Loans and receivables due from customers	521,951	502,097
TOTAL	**592,619**	**562,706**

10a Securities at amortized cost

	12/31/2023	12/31/2022 restated
Securities	3,876	3,490
■ Government securities	1,612	1,654
■ Bonds and other debt securities	2,265	1,836
Listed	1,417	718
Non-listed	848	1,119
Receivables related	16	11
TOTAL GROSS	**3,892**	**3,502**
of which impaired assets (S3)	*95*	*93*
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-65	-64
TOTAL NET	**3,825**	**3,436**

At December 31, 2023, the net carrying amount of HQLA debt securities recognized as assets at amortized cost amounted to €1,767 million. The estimated fair value of these assets is €1,727 million.

10b Loans and receivables due from credit institutions at amortized cost

	12/31/2023	12/31/2022 restated
Performing loans (S1/S2)	65,487	56,223
Crédit Mutuel network accounts [1]	48,537	41,606
Other ordinary accounts	3,786	3,805
Loans	2,231	2,637
Other receivables	9,022	6,698
Pensions	1,911	1,477
Receivables related	1,357	953
Impairment of performing loans (S1/S2)	-2	-3
TOTAL	**66,843**	**57,173**

(1) Mainly concerns outstanding CDC repayments (LEP, LDD, Livret bleu, Livret A).

10c Loans and receivables due from customers at amortized cost

	12/31/2023	12/31/2022 restated
Performing loans (S1/S2)	496,195	478,873
Commercial loans	17,983	18,203
Other customer receivables	477,138	459,875
■ home loans	264,589	254,200
■ other loans and receivables, including pensions [1] [2]	212,550	205,675
Receivables related	1,074	795
Gross receivables subject to individual impairment (S3)	14,273	12,470
Gross receivables	**510,468**	**491,343**
Impairment of performing loans (S1/S2) [3]	-2,903	-3,104
Other impairment (S3)	-6,760	-6,075
SUBTOTAL I	**500,805**	**482,164**
Finance leases (net investment)	20,726	19,614
■ Equipment	15,084	14,209
■ Real estate	5,642	5,405
Gross receivables subject to individual impairment (S3)	860	710
Impairment of performing loans (S1/S2)	-187	-189
Other impairment (S3)	-253	-203
SUBTOTAL II	**21,146**	**19,932**
TOTAL	**521,951**	**502,097**
of which subordinated loans	12	12
of which pensions	1,445	1,203

(1) Including €10 billion at December 31, 2023 of state-guaranteed loans (SGLs) granted during the Covid-19 crisis.

(2) This includes guarantee deposits paid in respect of payment commitments to the Single Resolution Fund (€288m) and the Deposit Guarantee Fund (€284m). It should be noted that, in an environment of the single resolution mechanism, irrevocable payment undertakings represent contingent liabilities, as the prospect of their being called upon is deemed improbable in a context of going concern and resilience of the Eurozone banking system highlighted by the results of the ECB 2023 stress tests.

(3) This item includes a post-model adjustment - see note 1 - Accounting principles.

BREAKDOWN OF STATE-GUARANTEED LOANS (SGL)

	Outstandings			Write down		
	S1	S2	S3	S1	S2	S3
Amounts at 12/31/2023	6,896	1,207	1,455	-5	-8	-181
Amounts at 12/31/2022	9,973	1,776	1,111	-6	-15	-111

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
Gross carrying amount	20,324	3,578	-2,311	-5	21,586
Impairment of non-recoverable lease payments	-392	-191	151	-8	-440
NET CARRYING AMOUNT	**19,932**	**3,387**	**-2,160**	**-13**	**21,146**

MATURITY ANALYSIS OF MINIMUM FUTURE LEASE PAYMENTS RECEIVABLE UNDER FINANCE LEASES

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Minimum future lease payments receivable	6,030	12,059	3,541	21,630
Present value of future lease payments	5,620	11,476	3,517	20,613
UNEARNED FINANCIAL INCOME	**410**	**583**	**24**	**1,017**

Note 11 Financial liabilities at amortized cost

11a Debt securities at amortized cost

	12/31/2023	12/31/2022 restated
Certificates of deposit	94	129
Interbank certificates and negotiable debt instruments	56,778	55,747
Bonds	79,419	70,430
Non-preferred senior securities	12,756	8,011
Related debt	1,645	755
TOTAL	**150,692**	**135,072**

11b Due to credit institutions

	12/31/2023	12/31/2022 restated
Other ordinary accounts	3,604	2,262
Borrowings	14,928	16,846
Other debt	5,297	6,102
Pensions[1]	25,629	44,869
Related debt	576	103
TOTAL	**50,034**	**70,182**

(1) As part of the monetary policy implemented by the Eurosystem, the group decided to participate in the TLTRO III (Targeted Longer-Term Refinancing Operation) launched in March 2020. Crédit Mutuel has therefore refinanced itself with the ECB under TLTRO III for an amount of €11,725 million at December 31, 2023.

11c Due to customers at amortized cost

	12/31/2023	12/31/2022 restated
Special savings accounts	165,751	170,867
■ demand	125,337	123,865
■ term	40,414	47,002
Related liabilities on savings accounts	14	13
Subtotal	**165,765**	**170,880**
Demand accounts	198,443	228,732
Term deposits and borrowings	115,577	57,131
Pensions	0	12
Related debt	1,299	210
Other debt	11	19
Insurance and reinsurance debts	0	0
Subtotal	**315,330**	**286,103**
TOTAL	**481,095**	**456,983**

11d Netting of financial assets and liabilities

12/31/2023	Gross amount of financial assets	Gross amount of financial liabilities offset on balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments received as guarantee	Cash received (cash collateral)	
FINANCIAL ASSETS							
Derivatives	8,536	-1,431	7,105	-4,250	0	-803	2,052
Pensions	28,159	-2,523	25,636	0	-25,314	-269	53
TOTAL	**36,695**	**-3,954**	**32,741**	**-4,250**	**-25,314**	**-1,072**	**2,105**

12/31/2023	Gross amount of financial liabilities	Gross amount of financial assets offset on the balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments given as collateral	Cash paid out (cash collateral)	
FINANCIAL LIABILITIES							
Derivatives	8,867	-1,431	7,436	-4,160	0	-3,145	131
Pensions	39,576	-2,523	37,053	0	-36,598	-392	63
TOTAL	**48,443**	**-3,954**	**44,490**	**-4,160**	**-36,598**	**-3,537**	**194**

12/31/2022 restated	Gross amount of financial assets	Gross amount of financial liabilities offset on balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments received as guarantee	Cash received (cash collateral)	
FINANCIAL ASSETS							
Derivatives	24,243	-13,163	11,080	-5,293	0	-1,033	4,754
Pensions	27,773	-7,397	20,376	0	-20,007	-325	43
TOTAL	**52,016**	**-20,560**	**31,456**	**-5,293**	**-20,007**	**-1,358**	**4,797**

12/31/2022 restated	Gross amount of financial liabilities	Gross amount of financial assets offset on the balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments given as collateral	Cash paid out (cash collateral)	
FINANCIAL LIABILITIES							
Derivatives	22,476	-13,163	9,313	-5,284	0	-3,838	191
Pensions	62,068	-7,397	54,671	0	-53,344	-1,246	81
TOTAL	**84,544**	**-20,560**	**63,984**	**-5,284**	**-53,344**	**-5,084**	**272**

These disclosures, required by an amendment to IFRS 7, seek to provide a basis for comparison with the treatment under generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IFRS.

The amounts in the second column correspond to the accounting offset, under IAS 32, for transactions processed going through a clearing house.

The "impact of offsets-framework agreements" column corresponds to the outstanding transaction amounts pursuant to enforceable contracts that are not subject to accounting offsets. These include transactions for which the right to offset is exercised in case of the default, insolvency or bankruptcy of one of the parties to the contracts. They relate to derivatives and repurchase agreements, whether or not processed via clearing houses.

The "Financial instruments received/given in guarantee" column shows the market value of securities exchanged as collateral.

The "Cash received/paid (cash collateral)" column shows the guarantee deposits received or given in respect of the positive or negative market values of financial instruments. They are recognized in the balance sheet under loans and receivables due from credit institutions and customers on the assets side, and due to credit institutions and customers on the liabilities side.

Note 12 Gross values and movements in impairment provisions

12a Gross values subject to impairment

	12/31/2022 restated	Acquisition/ production	Sales/ repayments	Transfer	Other[1]	12/31/2023
Financial assets at amortized cost – loans and receivables due from credit institutions, subject to	**57,176**	**25,980**	**-16,329**	**0**	**18**	**66,845**
12-month expected losses (S1)	56,703	25,971	-16,057	-46	19	66,590
expected losses at termination (S2)	473	9	-272	46	-1	255
Financial assets at amortized cost – loans and receivables due from customers, subject to	**511,668**	**172,706**	**-154,078**	**0**	**1,759**	**532,054**
12-month expected losses (S1)	464,393	165,091	-140,559	-5,679	577	483,823
expected losses at termination (S2)	34,095	6,660	-9,627	1,563	406	33,098
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	12,878	922	-3,757	4,117	728	14,887
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	302	33	-135	-1	48	246
Financial assets at amortized cost – securities	**3,502**	**1,496**	**-1,116**	**0**	**10**	**3,892**
12-month expected losses (S1)	3,401	1,492	-1,096	-18	10	3,789
expected losses at termination (S2)	8	0	0	0	0	8
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	93	4	-20	18	0	95
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0	0
Financial assets at fair value through equity – Debt securities	**33,835**	**18,769**	**-15,898**	**0**	**-198**	**36,508**
12-month expected losses (S1)	33,832	18,766	-15,898	-5	-198	36,497
expected losses at termination (S2)	3	0	0	5	0	8
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	0	3	0	0	0	3
TOTAL	**606,181**	**218,951**	**-187,421**	**0**	**1,589**	**639,299**

(1) *Change in flows not giving rise to derecognition and miscellaneous flows.*

GROSS CARRYING AMOUNT OF EXPOSURES BY CATEGORY AND BY PROBABILITY OF DEFAULT INTERVAL (RECEIVABLES FROM CUSTOMERS)

By probability of default interval 12 months IFRS 9	Of which originated credit-impaired assets	With 12-month expected losses (S1)	With expected losses at termination (S2)	With expected losses on assets credit-impaired at the reporting date but not credit-impaired on initial recognition (S3)
<0.1	48	258,034	1,375	0
0.1-0.25	0	55,337	247	0
0.26-0.99	1	82,174	5,833	0
1-2.99	4	47,199	8,785	0
3-9.99	12	30,617	7,845	0
>= 10	269	10,462	9,013	14,887
TOTAL	**334**	**483,823**	**33,098**	**14,887**

12b Movements in impairment provisions

	12/31/2022 restated	Addition	Reversal	Other	12/31/2023
Loans and receivables due from credit institutions	**-3**	**-2**	**5**	**-2**	**-2**
12-month expected losses (S1)	-2	-2	4	-2	-2
expected losses at termination (S2)	-1	0	1	0	0
Loans and receivables due from customers	**-9,571**	**-5,037**	**4,521**	**-16**	**-10,103**
of which originated credit-impaired assets (S3)	0	0	0	0	0
12-month expected losses (S1)	-1,543	-949	997	2	-1,493
expected losses at termination (S2)	-1,750	-1,673	1,823	3	-1,597
of which customer debts under IFRS 15	0	0	0	0	0
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-6,278	-2,415	1,701	-21	-7,013
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at amortized cost – securities	**-66**	**-4**	**2**	**1**	**-67**
12-month expected losses (S1)	-1	0	0	0	-1
expected losses at termination (S2)	-1	0	0	0	-1
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-64	-4	2	1	-65
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at fair value through equity – Debt securities	**-19**	**-25**	**21**	**0**	**-23**
of which originated credit-impaired assets (S3)	0	0	0	0	0
12-month expected losses (S1)	-19	-22	21	0	-20
expected losses at termination (S2)	0	0	0	0	0
TOTAL	**-9,659**	**-5,068**	**4,549**	**-17**	**-10,195**

The group conducted a sensitivity test of the cost of risk (including post-model adjustment). It is presented in note 1.

12c Breakdown of impairment

12/31/2022	Outstandings			Write down					Net outstanding
	S1	S2	S3	S1	Of which adjustment[1]	S2	Of which adjustment[1]	S3	
Loans and receivables due from credit institutions	66,590	255	0	-2	0	0	0	0	66,843
Loans and receivables due from customers	483,823	33,098	15,133	-1,493	-145	-1,597	-214	-7,013	521,951
Financial assets at amortized cost – securities	3,789	8	95	-1	0	-1	0	-65	3,825
Financial assets at FVOCI – Debt securities	36,497	8	3	-20	0	0	0	-3	36,485
Financial assets at FVOCI – Loans	0	0	0	0	0	0	0	0	0
TOTAL	**590,699**	**33,369**	**15,231**	**-1,516**	**-145**	**-1,598**	**-214**	**-7,081**	**629,104**

(1) Post-model adjustment.

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Note 13 Insurance activities

INVESTMENTS OF INSURANCE ACTIVITIES

	12/31/2023	12/31/2022 restated
INSURANCE FINANCIAL INVESTMENTS		
Financial assets at fair value through profit or loss	49,920	45,756
Financial assets at fair value through equity	78,131	72,173
Loans and receivables at amortized cost	178	974
Debt instruments at amortized cost	0	0
Investment property [1]	2,768	3,194
Subtotal of insurance investments [2]	**130,997**	**122,096**
Assets of insurance contracts	15	18
Reinsurance contract	312	328
TOTAL	**131,324**	**122,442**

(1) Investment property is recognized at fair value through profit or loss.
(2) Outstandings in stage 3 amounted to €18 million, fully impaired.

LIST OF MAIN NON-CONSOLIDATED EQUITY INVESTMENTS HELD BY INSURANCE COMPANIES

		% held	FV at 12/31/23	Shareholders' equity	Balance sheet total	NBI or Revenues	Net profit/ (loss)
Ardian Holding	Unlisted	16%	976	743	1,346	763	202
Desjardins	Unlisted	10%	393	3,062	10,641	4,138	329
Serenis Assurances	Unlisted	100%	76	N/A	N/A	N/A	N/A

The figures (except the percentage held) relate to fiscal year 2022 and are in millions of euros.

BREAKDOWN OF DEBT INSTRUMENTS HELD BY INSURANCE COMPANIES USING THE MEDIAN RATING METHOD

Median rating	% at 12/31/2023
AAA	25%
AA	41%
A	16%
BBB	14%
Not rated	4%
TOTAL	**100%**

13a Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022 restated			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**0**	**0**	**49,349**	**49,349**	**0**	**0**	**45,133**	**45,134**
■ Government securities	0	0	168	168	0	0	153	153
■ Bonds and other debt securities	0	0	28,606	28,606	0	0	25,421	25,422
Listed	0	0	22,006	22,006	0	0	20,153	20,154
Non-listed	0	0	6,600	6,600	0	0	5,268	5,268
of which UCIs	*0*	*0*	*26,425*	*26,425*	*0*	*0*	*22,764*	*22,764*
■ Shares and other capital instruments	0	0	20,575	20,575	0	0	19,556	19,556
■ *Listed*	*0*	*0*	*14,247*	*14,247*	*0*	*0*	*13,052*	*13,052*
■ *Non-listed*	*0*	*0*	*6,328*	*6,328*	*0*	*0*	*6,504*	*6,504*
■ Equity investments, shares in subsidiaries and associates and other long-term investments	0	0	0	0	0	0	3	3
Equity investments	*0*	*0*	*0*	*0*	*0*	*0*	*3*	*3*
Derivative instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating properties at fair value through profit or loss	**0**	**0**	**362**	**362**	**0**	**0**	**419**	**419**
Loans and receivables	**0**	**0**	**209**	**209**	**0**	**0**	**203**	**203**
TOTAL	**0**	**0**	**49,920**	**49,920**	**0**	**0**	**45,755**	**45,756**

13b Insurance financial assets at fair value through equity

	12/31/2023	12/31/2022 restated
Government securities	30,982	27,162
Bonds and other debt securities	37,493	35,209
■ Listed	36,928	34,683
■ Non-listed	565	526
Receivables related	0	0
Debt securities subtotal, gross	**68,475**	**62,371**
Of which impaired debt securities (S3)	18	18
Impairment of performing loans (S1/S2)	-24	-25
Other impairment (S3)	-18	-18
Debt securities subtotal, net	**68,433**	**62,328**
Loans	5,961	7,184
Receivables related	0	0
Gross subtotal loans and receivables	**5,961**	**7,184**
Impairment of performing loans (S1/S2)	-1	0
Other impairment (S3)	0	0
Net subtotal loans and receivables	**5,960**	**7,184**
Shares and other capital instruments	1,234	1,057
■ Listed	1,218	1,030
■ Non-listed	16	27
Long-term investments	2,504	1,604
■ Equity investments	2,504	1,604
Subtotal, equity instruments	**3,738**	**2,661**
TOTAL	**78,131**	**72,173**
Of which unrealized capital gains or losses recognized under shareholders' equity	308	-25
of which listed equity investments.	918	305

13c Distinction between insurance liabilities for remaining cover and incurred claims

	12/31/2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-18	0	0	0	0	-18
Insurance contract liabilities at the start of the period	105,308	72	986	3,402	95	109,863
Opening balance	**105,289**	**72**	**986**	**3,402**	**95**	**109,845**
A - Income from insurance activities	**-7,098**	**0**	**0**	**0**	**0**	**-7,098**
Claims and other insurance expenses incurred during the fiscal year	0	-47	1,538	4,186	33	5,709
Amortization of acquisition cash flows	14	0	0	0	0	14
Loss on onerous contracts	0	75	0	0	0	75
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-41	29	-26	-38
B - Expenses related to insurance activities	**14**	**28**	**1,496**	**4,215**	**8**	**5,760**
C - Investment component	**-6,406**	**0**	**6,406**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-13,490**	**28**	**7,902**	**4,215**	**8**	**-1,338**
Financial income or expense on insurance contracts issued OCI	3,183	0	15	84	3	3,284
Financial income or expense on insurance contracts issued outside OCI	5,675	2	11	46	1	5,736
Exchange rate effects	0	0	0	0	0	0
D- Total changes in income and in other comprehensive income	**-4,632**	**30**	**7,928**	**4,345**	**12**	**7,682**
Premiums received	13,688	0	0	0	0	13,688
Claims and expenses paid, including investment component	0	0	-7,846	-4,008	0	-11,854
Cash flow from contract acquisition	-27	0	0	0	0	-27
E - Total cash flow	**13,662**	**0**	**-7,846**	**-4,008**	**0**	**1,807**
F - Transfer to other balance sheet items	**379**	**0**	**18**	**-4**	**0**	**393**
Insurance contracts - assets	-16	0	1	0	0	-15
Insurance contracts - liabilities	114,714	102	1,085	3,735	106	119,742
CLOSING BALANCE (OPENING + D + E + F)	**114,697**	**102**	**1,087**	**3,735**	**106**	**119,727**

	12/31/2022 restated					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-27	0	0	0	0	-26
Insurance contract liabilities at the start of the period	120,263	62	1,025	3,548	102	125,001
Opening balance	**120,237**	**62**	**1,026**	**3,548**	**102**	**124,974**
A - Income from insurance activities	**-6,900**	**0**	**0**	**0**	**0**	**-6,900**
Claims and other insurance expenses incurred during the fiscal year	0	-54	1,518	3,992	31	5,487
Amortization of acquisition cash flows	65	0	0	0	0	65
Loss on onerous contracts	0	80	0	0	0	80
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-15	66	-22	30
B - Expenses related to insurance activities	**65**	**26**	**1,503**	**4,059**	**9**	**5,662**
C - Investment component	**-5,533**	**0**	**5,533**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-12,368**	**26**	**7,036**	**4,059**	**9**	**-1,238**
Financial income or expense on insurance contracts issued OCI	-11,464	0	-109	-291	-12	-11,876
Financial income or expense on insurance contracts issued outside OCI	-2,701	0	9	11	0	-2,680
Exchange rate effects	0	0	0	0	0	0
D- Total changes in income and in other comprehensive income	**-26,533**	**26**	**6,936**	**3,779**	**-3**	**-15,794**
Premiums received	13,016	0	0	0	0	13,016
Claims and expenses paid, including investment component	0	0	-6,960	-3,829	0	-10,789
Cash flow from contract acquisition	-172	0	0	0	0	-172
E - Total cash flow	**12,844**	**0**	**-6,960**	**-3,829**	**0**	**2,055**
F - Transfer to other balance sheet items	**-1,259**	**-16**	**-16**	**-95**	**-4**	**-1,391**
Insurance contracts - assets	-18	0	0	0	0	-18
Insurance contracts - liabilities	105,308	72	986	3,402	95	109,863
CLOSING BALANCE (D + E + F)	**105,289**	**72**	**986**	**3,402**	**95**	**109,845**

RECONCILIATION OF PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS AND REINSURANCE TREATIES

	12/31/2023				12/31/2022 restated			
	Closing balance	Related payables - Cash basis	Related receivables - Cash basis	Closing balance (including related payables and receivables)	Closing balance	Related payables - Cash basis	Related receivables - Cash basis	Closing balance (including related payables and receivables)
INSURANCE								
Assets of insurance contracts	-15	-	0	-15	-18	-	0	-18
Insurance contract liabilities	119,742	-558	-	119,184	109,863	-299	-	109,564
TOTAL PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS	**119,727**	**-558**	**0**	**119,169**	**109,845**	**-299**	**0**	**109,546**
REINSURANCE								
Reinsurance treaty assets	414		-102	312	385		-57	328
Reinsurance treaty liabilities	0	0		0	0	0		0
TOTAL PAYABLES AND RECEIVABLES RELATED TO REINSURANCE TREATIES	**414**	**0**	**-102**	**312**	**385**	**0**	**-57**	**328**

13d Distinction of insurance liabilities (BE, RA, CSM)

	12/31/2023			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-51	16	18	-18
Insurance contract liabilities at the start of the period	96,895	1,511	7,532	105,938
Opening balance	**96,843**	**1,527**	**7,550**	**105,920**
Change in contractual service margin recognized in income	0	0	-799	-799
Change in the adjustment for non-financial risk over the period	0	-136	0	-136
Experience adjustment	-38	18	0	-20
Changes in services rendered during the period	**-38**	**-118**	**-799**	**-956**
Contracts recognized during the period	-303	123	222	43
Changes in estimates resulting in an adjustment of the contractual service margin	-2,304	192	2,112	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	-34	6	0	-28
Changes in future services	**-2,641**	**321**	**2,334**	**14**
Changes in fulfillment cash flows in respect of incurred claims	-29	-13	0	-41
Changes related to past services	**-29**	**-13**	**0**	**-41**
Insurance service result	**-2,708**	**190**	**1,534**	**-983**
Effect of rates neutralized in OCI	3,132	64	0	3,196
Financial expenses net of insurance contracts (excluding OCI)	5,660	13	18	5,690
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**6,084**	**267**	**1,552**	**7,903**
Premiums received	8,978	0	0	8,978
Claims and expenses paid, including investment component	-7,935	0	0	-7,935
Cash flow from contract acquisition	-27	0	0	-27
TOTAL CASH FLOW	**1,017**	**0**	**0**	**1,017**
Transfer to other balance sheet items	**395**	**5**	**-9**	**391**
Insurance contract assets at closing	-60	18	27	-15
Insurance contract liabilities at closing	104,399	1,781	9,066	115,245
CLOSING BALANCE	**104,339**	**1,799**	**9,093**	**115,230**

	12/31/2022 restated			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-48	14	8	-26
Insurance contract liabilities at the start of the period	113,291	1,368	6,326	120,985
Opening balance	**113,243**	**1,382**	**6,334**	**120,959**
Change in contractual service margin recognized in income	0	0	-771	-771
Change in the adjustment for non-financial risk over the period	0	-116	0	-116
Experience adjustment	-94	17	0	-78
Changes in services rendered during the period	**-94**	**-99**	**-771**	**-964**
Contracts recognized during the period	-402	177	254	29
Changes in estimates resulting in an adjustment of the contractual service margin	-2,123	384	1,739	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	52	-37	0	15
Changes in future services	**-2,474**	**524**	**1,993**	**43**
Changes in fulfillment cash flows in respect of incurred claims	-2	-12	0	-15
Changes related to past services	**-2**	**-12**	**0**	**-15**
Insurance service result	**-2,570**	**412**	**1,222**	**-936**
Effect of rates neutralized in OCI	-11,324	-249	0	-11,572
Financial expenses net of insurance contracts (excluding OCI)	-2,715	7	16	-2,692
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**-16,609**	**171**	**1,238**	**-15,201**
Premiums received	8,544	0	0	8,544
Claims and expenses paid, including investment component	-7,082	0	0	-7,082
Cash flow from contract acquisition	-68	0	0	-68
TOTAL CASH FLOW	**1,393**	**0**	**0**	**1,393**
Transfer to other balance sheet items	**-1,184**	**-26**	**-22**	**-1,232**
Insurance contract assets at closing	-51	16	18	-18
Insurance contract liabilities at closing	96,895	1,511	7,532	105,938
CLOSING BALANCE	**96,843**	**1,527**	**7,550**	**105,920**

13e Insurance liabilities initially recognized during the period

	12/31/2023		
	Profitable contracts issued	Loss-making contracts issued	Total
Insurance acquisition cash flows	11	15	26
Expected claims and other expenses related to insurance activities	3,127	769	3,896
Estimates of present value of future cash outflows	**3,137**	**784**	**3,922**
Estimates of present value of future cash inflows	-3,391	-833	-4,224
Risk adjustment for non-financial risk	32	91	123
Contractual Service Margin	222	0	222
Losses on insurance contracts initially held and recognized during the period	**0**	**43**	**43**

	12/31/2022 restated		
	Profitable contracts issued	Loss-making contracts issued	Total
Insurance acquisition cash flows	14	6	20
Expected claims and other expenses related to insurance activities	4,159	509	4,668
Estimates of present value of future cash outflows	**4,173**	**515**	**4,687**
Estimates of present value of future cash inflows	-4,525	-541	-5,066
Risk adjustment for non-financial risk	122	55	177
Contractual Service Margin	231	0	231
Losses on insurance contracts initially held and recognized during the period	**0**	**29**	**29**

13f Underlying items of VFA contracts

	12/31/2023	12/31/2022 restated
Underlying items of insurance contracts with direct participation features	**Underlying items of direct investment contracts**	**Underlying items of direct investment contracts**
FINANCIAL INVESTMENTS		
Fair value through equity	**68,974**	**65,444**
Government and equivalent securities	25,152	22,000
Bonds and other debt securities	32,900	30,715
Shares and other capital instruments	0	1,441
Investments and other long-term securities	1,609	1,383
Investments in subsidiaries and associates	203	200
Loans and receivables	9,110	9,705
Fair value through profit or loss	**53,033**	**47,474**
Government and equivalent securities	157	143
Bonds and other debt securities	29,720	26,748
Shares and other capital instruments	20,057	17,108
Investments and other long-term securities	0	0
Investments in subsidiaries and associates	0	0
Loans and receivables	260	190
Derivatives and other financial assets – trading	0	0
Operating properties OFVPL	328	378
Non-operating properties OFVPL	2,511	2,907
Hedging derivatives	**0**	**0**
Amortized cost	**298**	**1,241**
Loans and receivables due from credit institutions	298	1,241
Other assets	**45**	**32**
Current tax assets	3	6
Other assets	28	16
Accruals - Assets	14	10
TOTAL FINANCIAL INVESTMENTS	**122,350**	**114,191**
FINANCIAL LIABILITIES		
Fair value through profit or loss	**8,875**	**9,591**
Derivatives and other financial liabilities – Trading	61	117
Due to credit institutions and similar entities	8,814	9,474
Deposits from customers - Other - Term	0	0
Other liabilities	**128**	**165**
Other liabilities	33	38
Deferred tax liabilities	95	127
Accruals - Liabilities	0	0
TOTAL FINANCIAL LIABILITIES	**9,003**	**9,756**

13g CSM schedule - Insurance

	12/31/2023				12/31/2022 restated			
	Between 0 and 5 years	Between 5 and 10 years	Over 10 years	TOTAL	Between 0 and 5 years	Between 5 and 10 years	Over 10 years	TOTAL
CSM Insurance contract	4,144	3,132	1,817	9,093	3,757	2,751	1,042	7,550
CSM Reinsurance contract	20	12	17	49	24	14	18	56

13h Impact of applying the modified retrospective method on CSM and income from insurance activities in subsequent periods

INSURANCE CONTRACTS ISSUED

	12/31/2023	12/31/2022 restated
INSURANCE INCOME		
New contracts and contracts measured using the full retrospective approach (FRA) at transition date	2,402	2,109
Contracts and contracts measured using the modified retrospective approach (MRA) at transition date	975	1,022
Insurance contracts recorded under the fair value approach (FVA) at transition date	277	375
TOTAL	**3,654**	**3,506**

	12/31/2023	12/31/2022 restated
CSM		
New contracts and contracts measured using the full retrospective approach (FRA) at transition date	161	71
Contracts and contracts measured using the modified retrospective approach (MRA) at transition date	1,008	997
Insurance contracts recorded under the fair value approach (FVA) at transition date	310	355
TOTAL	**1,479**	**1,423**

These tables only concern personal insurance contracts.

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13i Monitoring of CSM flows using the transition method

	12/31/2023			12/31/2022 restated		
Insurance contracts	Insurance contracts recorded under the modified retrospective approach (MRA)	Insurance contracts recorded under the fair value approach (FVA)	Other contracts	Insurance contracts recorded under the modified retrospective approach (MRA)	Insurance contracts recorded under the fair value approach (FVA)	Other contracts
CSM at the start of the period	**997**	**355**	**71**	**1,285**	**426**	**-**
Change in contractual service margin recognized in income for services rendered	-70	-23	-8	-78	-32	-4
Changes related to past services	**-70**	**-23**	**-8**	**-78**	**-32**	**-4**
Changes in estimates resulting in an adjustment of the contractual service margin	67	-18	-11	-226	-31	-101
Contracts recognized during the period	-	-	110	-	-	184
Changes in future services	**67**	**-18**	**99**	**-226**	**-31**	**83**
Financial expenses on contracts issued	14	1	2	16	-0	-0
TOTAL ITEMS RECOGNIZED IN OCI	**14**	**1**	**2**	**16**	**-0**	**-0**
Transfer to other balance sheet items	-	-4	-2	-	-9	-7
CSM at the end of the period	**1,008**	**310**	**161**	**997**	**355**	**71**

Insurance risk management

Insurance risk management covers all the risks taken by an insurer when marketing insurance contracts.

The inverted cycle that characterizes the insurance sector means that this technical risk must be monitored over the long term.

The Group's insurance entities develop and market a comprehensive range of insurance products, mainly for retail and professional customers.

Insurance risk management is based on the following main pillars:

- the business line divisions, which handle sales development and pricing to ensure that premiums are sufficient to cover future claims;
- the actuarial-technical reserves department, which coordinates the calculation of reserves for the company's balance sheet;
- the Solvency II team, which is responsible for regulatory calculations and associated sensitivities;
- management control, whose reporting and in-depth analyses make it possible to monitor insurance risk over time across all business lines;
- the reinsurance department, which identifies all the risks to be outsourced, defines the appropriate cover program and places it on the market;
- the key actuarial function, which coordinates the actuarial work of the various business divisions, coordinates the calculation of prudential technical reserves, and issues an opinion on overall underwriting policy and the adequacy of reinsurance arrangements;
- the key risk management function, responsible for coordinating the risk management system.

CONCENTRATION ANALYSIS

	12/31/2023
France	107,066
Other	1,663
TOTAL	**108,729**

SENSITIVITY ANALYSIS

	12/31/2023	
	Impact on net income	Impact on shareholders' equity
Massive buybacks of 10%	**3**	**10**
Insurance contracts	3	10
Reinsurance contracts	0	0
Financial instruments	0	0

CHANGE IN ESTIMATED TOTAL UNDISCOUNTED COST OF CLAIMS BY YEAR OF OCCURRENCE

	At the end of the period	At one year	At two years	At three years	At four years	At five years	Cumulative paid claims	Estimated future cash flows for claims incurred
Past events	-	-	-	-	-	-	-	**1,428**
2018	-	-	-	2,411	2,414	2,432	2,214	218
2019	-		2,666	2,659	2,649	-	2,397	252
2020	-	2,885	2,774	2,757	-	-	2,412	345
2021	3,039	2,988	2,942	-	-	-	2,455	487
2022	3,404	3,465	-	-	-	-	2,633	833
2023	3,601		-	-	-	-	2,016	1,585
Total events	-	-	-	-	-	-	-	**5,148**
Estimated future cash flows for claims handling costs incurred	-	-	-	-	-	-	-	**237**
Effect of discounting	-	-	-	-	-	-	-	**-613**
Estimated future cash flows for claims incurred presented in the balance sheet	-	-	-	-	-	-	-	**4,772**

INTEREST RATE RISK ON INSURANCE CONTRACTS

	12/31/2023		
	Impact on net income	Impact on shareholders' equity	Impact on CSM
50 bp increase in risk-free rates	**-4**	**-182**	**166**
Insurance contracts	202	1,534	166
Reinsurance contracts	0	-9	0
Financial instruments	-206	-1,707	0
50 bp decrease in risk-free rates	**6**	**207**	**-282**
Insurance contracts	-201	-1,605	-282
Reinsurance contracts	0	10	0
Financial instruments	207	1,802	0

EQUITY RISK SENSITIVITY ANALYSIS

	12/31/2023		
	Impact on net income	Impact on shareholders' equity	Impact on CSM
20% decrease in share price	**-43**	**-218**	**-493**
Insurance contracts	4,278	43	-493
Reinsurance contracts	0	0	0
Financial instruments	-4,321	-261	0

MATURITY ANALYSIS - ESTIMATE OF THE PRESENT VALUE OF FUTURE CASH FLOWS

	12/31/2023				
	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	TOTAL
Insurance contracts	-	-	-	-	-
Assets	0	0	0	0	0
Liabilities	1,829	2,955	10,231	91,123	106,138
TOTAL	**1,829**	**2,955**	**10,231**	**91,123**	**106,138**

AMOUNTS PAYABLE ON DEMAND

Amounts payable on demand, corresponding to the cash surrender value of insurance contracts, and their carrying amounts are presented as follows:

	12/31/2023
Amounts payable on demand	100,734
Carrying amount	113,567

IFRS 17 yield curves

Future cash flows are discounted using the yield curve below. This reflects the time value of money as well as the cash flow and liquidity characteristics of GACM's insurance contracts.

	12/31/2023	12/31/2022 restated
1-year rate	4.0%	3.9%
5-year rate	3.0%	3.8%
10-year rate	3.1%	3.8%
20-year rate	3.1%	3.5%
30-year rate	3.0%	3.2%

Note 14 Tax

14a Current tax

	12/31/2023	12/31/2022 restated
Assets (through profit or loss)	1,662	1,559
Liabilities (through profit or loss)	759	581

14b Deferred tax

	12/31/2023	12/31/2022 restated
Assets (through profit or loss)	802	806
Assets (through shareholders' equity)	329	426
Liabilities (through profit or loss)	469	454
Liabilities (through shareholders' equity)	32	71

ANALYSIS OF DEFERRED TAXES BY MAJOR CATEGORIES

	12/31/2023		12/31/2022 restated	
	Assets	Liabilities	Assets	Liabilities
Tax loss carried forward	-	-	-	-
Temporary differences in	-	-	-	-
■ impairment of financial assets	560	-	617	-
■ finance leasing reserve	-	329	-	344
■ revaluation of financial instruments	1,674	2,557	2,779	2,339
■ accrued expenses and accrued income	329	91	288	103
■ earnings of flow-through entities	-	-	-	-
■ Insurance	2,120	1,195	1,718	2,036
■ other temporary differences	92	18	93	8
■ tax deficits	44		41	-
Offsets	-3,690	-3,690	-4,305	-4,305
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	**1,131**	**501**	**1,233**	**525**

Deferred taxes are calculated according to the variable carry-forward principles.

Note 15 Accruals and miscellaneous assets and liabilities

15a Accruals and miscellaneous assets

	12/31/2023	12/31/2022 restated
ACCRUALS - ASSETS		
Collection accounts	550	486
Currency adjustment accounts	26	31
Accrued income	671	593
Other accruals	2,963	3,361
Subtotal	**4,210**	**4,471**
OTHER ASSETS		
Securities settlement accounts	135	115
Miscellaneous receivables	6,113	4,888
Inventories and similar	57	49
Other	15	17
Subtotal	**6,320**	**5,069**
TOTAL	**10,530**	**9,540**

15b Accruals and miscellaneous liabilities

	12/31/2023	12/31/2022 restated
ACCRUALS - LIABILITIES		
Accounts unavailable due to recovery procedures	400	338
Currency adjustment accounts	1,674	1,365
Accrued expenses	2,233	2,025
Deferred income	1,417	1,240
Other accruals	3,142	4,068
Subtotal	**8,866**	**9,036**
OTHER LIABILITIES		
Lease obligations – Real estate	876	872
Lease obligations – Other	31	41
Securities settlement accounts	691	973
Outstanding amounts payable on securities	294	398
Miscellaneous creditors	3,200	2,725
Subtotal	**5,092**	**5,009**
TOTAL	**13,958**	**14,045**

15c Lease liabilities by residual term

12/31/2023	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	176	276	276	109	70	907
■ Real estate	156	274	267	109	70	876
■ Other	20	2	9	0	0	31

12/31/2022 restated	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	225	259	242	106	81	913
■ Real estate	206	240	239	106	81	872
■ Other	19	19	3	0	0	41

Note 16 Investments in equity consolidated companies

16a Share of net income of equity consolidated companies

12/31/2023	Country	Share held	Value of equity consolidation	Share of net income	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	150	16	7	151
Caisse Centrale du Crédit Mutuel [1]	France	67.19%	626	18	10	NC*
LYF SAS	France	49.99%	2	-9	0	NC*
LYF SA	France	43.75%	7	0	0	NC*
2SF Trust Services Company	France	33.33%	2	0	0	NC*
Other equity investments	-	-	1	0	-	-
Total (1)			**787**	**25**	**17**	**-**
JOINT VENTURES						
Euro-Automatic Cash	Spain	50.00%	11	1	0	NC*
Total (2)	**-**	**-**	**11**	**1**	**0**	**-**
TOTAL (1) + (2)	**-**	**-**	**798**	**26**	**17**	

(1) Caisse Centrale de Crédit Mutuel is accounted for using the equity method due to its significant influence, despite holding more than 50% of voting rights and taking into account the analysis of the governance rules specific to that entity of the Crédit Mutuel group.

** NC: Not communicated.*

12/31/2022 restated	Country	Share held	Value of equity consolidation	Share of net income	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	149	17	6	149
Caisse Centrale du Crédit Mutuel [1]	France	67.19%	612	3	0	NC*
LYF SAS	France	49.95%	3	-10	0	NC*
LYF SA	France	43.75%	7	0	0	NC*
2SF Trust Services Company	France	33.33%	-7	-11	0	NC*
Other equity investments	-	-	1	2	-	-
Total (1)	**-**	**-**	**765**	**2**	**6**	
JOINT VENTURES						
Euro-Automatic Cash	Spain	50.00%	9	-2	0	NC*
Total (2)	**-**	**-**	**9**	**-2**	**0**	
TOTAL (1) + (2)	**-**	**-**	**775**	**0**	**6**	

(1) Caisse Centrale de Crédit Mutuel is accounted for using the equity method due to its significant influence, despite holding more than 50% of voting rights and taking into account the analysis of the governance rules specific to that entity of the Crédit Mutuel group.

** NC: Not communicated.*

16b Financial data published by the main equity consolidated companies

	12/31/2023					
	Balance sheet total	NBI or Revenues	GOI	Net income	OCI reserves	Shareholders' equity
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie [1] [2]	7,211	424	280	166	NC*	1,207
Caisse Centrale du Crédit Mutuel	9,515	47	33	25	0	931
LYF SAS	8	2	-18	-18	0	4
LYF SA	27	2	0	0	0	16
2SF Trust Services Company	62	28	0	0	0	39
JOINT VENTURES						
Euro-Automatic Cash	51	15	-1	0	1	29

(1) 2022 amounts.
(2) In millions of Tunisian Dinar
**NC: Not communicated.*

	12/31/2022 restated					
	Balance sheet total	NBI or Revenues	GOI	Net income	OCI reserves	Shareholders' equity
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie [1] [2]	6,630	378	245	161	NC*	1,103
Caisse Centrale du Crédit Mutuel	9,552	34	19	16	10	916
LYF SAS	9	2	-20	-20	0	5
LYF SA	24	1	0	0	0	15
2SF Trust Services Company	58	4	0	0	0	12
JOINT VENTURES						
Euro-Automatic Cash	54	14	-3	-6	3	28

(1) 2021 amount.
(2) In millions of Tunisian Dinar
**NC: Not communicated.*

Note 17 Investment property

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
Historical cost	420	5	-11	23	437
Depreciation and impairment	-122	-9	1	4	-126
NET AMOUNT	**298**	**-4**	**-10**	**27**	**311**

The fair value of investment property recognized at amortized cost is €367 million.

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Note 18 Property, plant and equipment and intangible assets

18a Property, plant and equipment

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
HISTORICAL COST					
Operating sites	577	8	-5	-2	578
Operating buildings	5,336	155	-202	3	5,292
Usage rights – Real estate	1,560	182	-71	72	1,743
Usage rights – Other	62	2	-1	6	69
Other property, plant and equipment	3,301	581	-314	-15	3,553
Total	**10,836**	**928**	**-593**	**64**	**11,235**
DEPRECIATION AND IMPAIRMENT					
Operating sites	-15	-2	0	0	-17
Operating buildings	-3,588	-176	185	-2	-3,581
Usage rights – Real estate	-705	-223	43	-2	-887
Usage rights – Other	-21	-18	1	0	-38
Other property, plant and equipment	-2,529	-216	164	1	-2,580
Total	**-6,858**	**-635**	**393**	**-3**	**-7,103**
NET AMOUNT	**3,978**	**293**	**-200**	**61**	**4,131**

OF WHICH PROPERTIES RENTED UNDER FINANCE LEASES

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
Operating sites	7	0	0	0	7
Operating buildings	99	0	-1	0	98
TOTAL	**106**	**0**	**-1**	**0**	**105**

18b Intangible assets

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
HISTORICAL COST					
Internally developed intangible assets [1]	710	63	-2	1	772
Purchased intangible assets	1,629	65	-32	5	1,667
■ software	270	21	-13	30	308
■ other	1,359	44	-19	-25	1,359
Total	**2,339**	**128**	**-34**	**6**	**2,439**
DEPRECIATION AND IMPAIRMENT					
Internally developed intangible assets [1]	-589	-77	2	0	-664
Purchased intangible assets	-1,010	-70	17	-22	-1,085
■ software	-220	-25	12	-27	-260
■ other	-790	-45	5	5	-825
Total	**-1,599**	**-147**	**19**	**-22**	**-1,749**
NET AMOUNT	**740**	**-19**	**-15**	**-16**	**690**

(1) These headings correspond to software developed internally and capitalized in our subsidiaries Euro-Information and TARGOBANK AG.

Note 19 Goodwill

	12/31/2022 restated	Increase	Decrease	Variation in impairment	Other	12/31/2023
Gross goodwill	4,746	2	-2	-	-	4,746
Write down	-2,395	-	-	-	-	-2,395
NET GOODWILL	**2,351**	**2**		**0**	**0**	**2,351**

Cash-generating units	Value of goodwill on 12/31/2022	Increase	Decrease	Variation in impairment	Other	Value of goodwill on 12/31/2023
TARGOBANK in Germany	1,018	-	-	-	-	1,018
Crédit Industriel et Commercial (CIC)	497	-	-	-	-	497
Cofidis Group	378	-	-	-	-	378
La Française Group	201	-	-2	-	-	199
Cofidis France	79	-	-	-	-	79
Euro-Protection Surveillance	51	-	-	-	-	51
GACM Seguros Generales Compañía de Seguros y Reaseguros SA	0	-	-	-	-	-
EBRA	33	2	-	-	-	35
SIIC Foncière Massena	26	-	-	-	-	26
Crédit Mutuel Equity SCR	21	-	-	-	-	21
Banque de Luxembourg	13	-	-	-	-	13
Agrupació AMCI d'Assegurances i Reassegurances SA	0	-	-	-	-	-
Cofidis Italy	9	-	-	-	-	9
Banque Transatlantique	6	-	-	-	-	6
Dubly Transatlantique Gestion	5	-	-	-	-	5
Other	14	-	-	-	-	14
TOTAL	**2,351**	**2**	**-2**	**0**	**0**	**2,351**

The cash-generating units to which the goodwill is assigned are tested annually to ensure that they are recoverable. Impairment is ascertained by depreciation of goodwill when the recoverable amount is less than the carrying amount. The current economic situation , its consequences on net profit at December 31, 2023, and the macroeconomic uncertainties for the following years, have led the group to identify potential indications of impairment of goodwill. As a result, the group has updated the impairment tests for its main subsidiaries.

The recoverable amount is determined according to two types of methods:

- *the fair value net of sales costs, which is based on observation of valuation multiples on comparable transactions or market parameters adopted by the analysts on entities with similar activities;*
- *the value in use, which is based on the discounting of expected future cash flows after taking into account capital requirements: this method is generally used as at December 31, 2023.*

To determine the value in use, the cash flows are based on business plans prepared by the management over a maximum period of five to seven years, then on projection of a flow to infinity according to a long-term growth rate. The latter is set at 2% for the whole of Europe, which is an assumption measured against inflation rates observed over a very long period.

The cash flows used to calculate the value in use also take into account prudential capital requirements.

The cash flow discount rates correspond to the cost of capital, which is determined from a long-term riskless rate, to which a risk premium is added. The risk premium is determined by observing the sensitivity of the price in relation to the market in the case of a listed asset, or by analyst estimates in the case of non-listed assets. The cost of capital was discounted on December 31, 2023 with:

- *9.5% for Retail Banking and leasing CGUs based in Germany;*
- *10% for Retail Banking, consumer credit and leasing CGUs based in France.*

The cash flows used to calculate the value in use are determined on the basis of regulatory capital requirements.

The main sensitivity factors of the recoverable amount test based on the value in use are the discount rate and the expected level of future cash flows, which is itself impacted by the following sensitivity factors:

- *the achievement of business plans;*
- *the level of shareholders' equity allocated to each CGU;*
- *the perpetual growth rate.*

When the value in use was used as an impairment test, the parameters and their sensitivity were as follows:

	TARGOBANK in Germany	Cofidis [1]	CIC
	Network bank	Consumer loan	Network bank
Cost of capital	9.5%	10%	10%
Effect of a 50 basis point increase in the cost of capital	-5%	-6%	-5%
Effect of a 50 basis point drop in the growth rate to infinity	-1%	-2%	-1%
Effect of a 50 basis point increase in CET1 capital requirements	-4%	-5%	-4%

If the above sensitivity assumptions were used, this would not entail any impairment of goodwill on TARGOBANK in Germany, Cofidis and CIC.

(1) Cofidis France and Cofidis Group.

Note 20 Provisions and contingent liabilities

20a Provisions

	12/31/2022 restated	Additions for the year	Reversals for the year (utilized provisions)	Reversals for the year (surplus provisions)	Other changes	12/31/2023
Provisions for risks	**526**	**378**	**-45**	**-300**	**26**	**585**
On guarantee commitments [2]	***289***	***205***	***0***	***-163***	***1***	***332***
■ of which 12-month expected losses (S1)	62	45	0	-39	0	68
■ of which expected losses at termination (S2)	75	65	0	-55	0	85
■ of which provisions for execution of commitments upon signature	152	95	0	-69	1	179
On financing commitments [2]	***111***	***125***	***-6***	***-114***	***0***	***116***
■ of which 12-month expected losses (S1)	80	82	0	-77	0	85
■ of which expected losses at termination (S2)	27	33	0	-37	0	23
On country risks	***0***	***0***	***0***	***0***	***0***	***0***
Provisions for taxes	***6***	***5***	***-4***	***0***	***-4***	***3***
Provisions for claims and litigation	***64***	***19***	***-15***	***-8***	***2***	***62***
Provision for risk on miscellaneous receivables	56	25	-21	-14	27	73
Other provisions	**1,419**	**393**	**-67**	**-151**	**-56**	**1,537**
■ Provisions for mortgage saving agreements	239	1	-3	-25	1	213
■ Provisions for miscellaneous contingencies	735	296	-49	-111	-34	837
■ Other provisions[1]	445	96	-15	-15	-23	488
Provisions for retirement commitments	**1,463**	**145**	**-40**	**-18**	**-195**	**1,355**
TOTAL	**3,408**	**916**	**-152**	**-469**	**-225**	**3,477**

(1) Other provisions relate to provisions for French economic interest groups (SPV) totaling €447 million.
(2) As of December 31, 2023, the item included a post-model adjustment, - see note 1 - Accounting principles

20b Retirement and other employee benefits

	12/31/2022 restated	Additions for the year	Reversals for the year	Other changes	12/31/2023
DEFINED-BENEFIT PLANS NOT COVERED BY PENSION FUNDS					
Retirement benefits	1,025	117	-42	76	1,176
Supplementary pensions	251	7	-9	-185	64
Obligations for long service awards (other long-term benefits)	164	22	0	-79	107
Subtotal recognized	**1,440**	**146**	**-51**	**-188**	**1,347**
SUPPLEMENTARY DEFINED-BENEFIT PENSIONS COVERED BY THE GROUP'S PENSION FUNDS					
Commitments to employees and retirees [1]	23	0	-6	-8	9
Fair value of assets	-	-	-	-	-
Subtotal recognized	**23**	**0**	**-6**	**-8**	**9**
Other commitments	0	0	0	0	0
TOTAL AMOUNT RECOGNIZED	**1,463**	**146**	**-57**	**-196**	**1,356**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

	12/31/2023	12/31/2022 restated
Discount rate [2]	3.19%	3.40%
Expected increase in salaries [3]	Minimum 2.65%	Minimum 1%

(1) The provisions covering shortfalls in pension funds relate to entities located abroad.
(2) The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the Iboxx index.
(3) The annual increase in salaries is the estimate of future inflation combined with the increase in salaries; it also depends on the age of the employee.

CHANGE IN THE PROVISION FOR RETIREMENT BENEFITS

	12/31/2022	Effect of discounting	Financial income	Cost of services rendered	Experience-related actuarial gains and losses	Actuarial gains and losses relating to changes in assumptions: demographics	Actuarial gains and losses relating to changes in assumptions: financial	Payment to beneficiaries	Contributions to plan	Mobility transfer	Other	12/31/2022
Commitments	1,440	46	1	58	8	19	140	-64	-6	-2	-53	1,586
Non-group insurance contracts and externally-managed assets	415	0	14	0	0	0	1	0	-19	0	0	411
Provisions	1,025	46	-13	58	8	19	139	-64	14	-2	-53	1,176

DISCOUNT RATE SENSITIVITY

Liabilities at 2.69% (-50bp)	Liabilities at 3.69% (+50bp)	Duration
114	-102	17

	12/31/2021	Effect of discounting	Financial income	Cost of services rendered	Experience-related actuarial gains and losses	Actuarial gains and losses relating to changes in assumptions: demographics	Actuarial gains and losses relating to changes in assumptions: financial	Payment to beneficiaries	Contributions to plan	Mobility transfer	Other	12/31/2021
Commitments	1,789	15	0	69	0	4	-474	-59	-6	37	64	1,440
Non-group insurance contracts and externally-managed assets	461	0	5	0	0	0	-40	0	2	0	-13	415
Provisions	1,327	15	-4	69	0	4	-434	-59	-8	37	77	1,025

VARIATION IN THE FAIR VALUE OF THE ASSETS OF THE PLAN

	Fair value of assets 12/31/2022	Effect of discounting	Actuarial gains and losses	Yield of plan assets	Contributions by plan members	Employer contributions	Payment to beneficiaries	Exchange rate effects	other	Fair value of assets 12/31/2022
Fair value of plan assets	1,112	0	1	35	-20	9	-28	0	-128	982

BREAKDOWN OF FAIR VALUE OF PLAN ASSETS

	Assets quoted on an active market				Assets not quoted on an active market			
	Debt securities	Equity instruments	Real estate	Other	Debt securities	Equity instruments	Real estate	Other
Composition of the assets of the plan	60%	24%	0%	12%	0%	2%	2%	0%

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20c Provisions for risks arising from commitments on mortgage saving agreements

	12/31/2023	12/31/2022 restated
Mortgage saving plans (PEL)	-	-
Maturity < 10 years	8,513	27,762
Maturity > 10 years	24,937	10,263
TOTAL	**33,450**	**38,025**
Amounts outstanding under mortgage saving accounts (CEL)	**4,233**	**3,977**
TOTAL MORTGAGE SAVING AGREEMENTS (ACCOUNTS AND PLANS)	**37,683**	**42,002**

Loans under mortgage saving agreements	12/31/2023	12/31/2022 restated
Outstanding mortgage savings loans behind provisions for risks recognized as balance sheet assets	67	32

Provisions on mortgage saving agreements	12/31/2022 restated	Net allocations/ reversals	Other changes	12/31/2023
On mortgage saving accounts	0	0	0	0
On mortgage saving plans	238	-28	0	210
TOTAL	**238**	**-28**	**0**	**210**
Provisions for mortgage saving plans, by maturity	-	-	-	-
Maturity < 10 years	62	-25	0	37
Maturity > 10 years	176	-3	0	173
TOTAL	**238**	**-28**	**0**	**210**

Mortgage savings accounts ("CEL") and mortgage savings plans ("PEL") are government-regulated retail products available in France. In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate two types of obligations for the distributing establishment:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as variable-rate interest);
- an obligation to grant loans to customers under predetermined terms (both PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.

A provision is made as a liability in the balance sheet to cover future expenses related to the potentially unfavorable conditions of these products, compared to the interest rates offered to individual customers for similar products, but which are not regulated in terms of compensation. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL (mortgage savings plans). The impact on income is recorded under interest paid to customers.

Note 21 Subordinated debt

	12/31/2023	12/31/2022 restated
Subordinated debt	10,709	9,132
Participating loans	20	20
Perpetual subordinated debt	595	595
Other debt	0	0
Related debt	178	114
TOTAL	**11,502**	**9,861**

PRINCIPAL SUBORDINATED DEBT

(in € millions)	Type	Issue Date	Issue Amount	Amount at year-end[1]	Rate	Term
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	03/10/2014	€120m	€120m	4.25	06/27/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	05/21/2014	€1,000m	€990m	3.00	05/21/2024
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	09/11/2015	€1,000m	€969m	3.00	09/11/2025
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	03/24/2016	€1,000m	€953m	2.375	03/24/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	09/12/2016	€300m	€300m	2.13	09/12/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	11/04/2016	€700m	€658m	1.875	11/04/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	03/31/2017	€500m	€473m	2.625	03/31/2027
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	11/15/2017	€500m	€470m	1.625	11/15/2027
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	05/25/2018	€500m	€472m	2.5	05/25/2028
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	06/18/2019	€1,000m	€1,000m	1.875	06/18/2029
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	11/19/2021	€750m	€628m	1.125	11/19/2031
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	06/16/2022	€1,250m	€1,219m	3.875	06/16/2032
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	01/11/2023	€1,250m	€1,308m	5.125	01/11/2033
Assurances du Crédit Mutuel	redeemable subordinated notes/TSR	06/04/2014	€150m	€150m	4.625	06/04/2024
Assurances du Crédit Mutuel	redeemable subordinated notes/TSR	10/21/2021	€750m	€758m	1.85	04/21/2042
Crédit Industriel et Commercial	Participatory	05/28/1985	€137m	€8m	(2)	(3)
Banque Fédérative du Crédit Mutuel	TSS	11/09/2004	€66m	€66m	CMS10 cap 8	TBD
Banque Fédérative du Crédit Mutuel	TSS	12/15/2004	€436m	€419m	(4)	TBD
Banque Fédérative du Crédit Mutuel	TSS	02/25/2005	€92m	€92m	(5)	TBD

(1) Net intra-group amounts and revaluation differences for hedged instruments.

(2) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.

(3) Non-depreciable, but reimbursable at borrower's discretion as of May 28, 1997 at 130% of the nominal value revalued by 1.5% per year for future years.

(4) CMS 10 years ISDA CIC +10 basis points.

(5) CMS 10 years ISDA +10 basis points

** For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the €STR (European Regulation (EU) 2021/1848 of October 21, 2021).*

Note 22 Reserves related to capital and reserves

22a Shareholders' equity attributable to the group (excluding profit and loss and unrealized gains and losses)

	12/31/2023	12/31/2022 restated
Capital and reserves related to capital	8,063	8,366
■ Capital	8,063	8,366
Consolidated reserves	48,172	44,882
■ Regulated reserves	6	6
■ Other reserves (including effects related to initial application)	48,091	44,753
of which profit on disposal of equity instruments	*173*	*164*
■ Retained earnings	75	123
TOTAL	**56,235**	**53,248**

The share capital of the Crédit Mutuel banks is composed of:

- A shares, non-transferable;
- B shares, transferable;
- P shares, with priority interests.

B shares and equivalent may only be subscribed by those members holding at least one A share. The articles of association of the local banks limit the subscription of B shares and their equivalent by any given member to €50,000 (with the exception of reinvestment of dividends paid in B shares). In accordance with the law of September 10, 1947, the capital cannot be lower, following withdrawal of contributions, than one-quarter of the highest amount achieved by the share capital in the past.
The redemption plan for B shares differs according to whether they were subscribed before or after December 31, 1988:

- shares subscribed up to December 31, 1988 may be redeemed at the member's request on January 1 each year. This reimbursement, which is subject to compliance with the provisions governing the reduction of capital, is subject to a minimum notice period of three months.
- shares subscribed on or after January 1, 1989 may be redeemed at the member's request upon five years' notice, except in the event of marriage, death or unemployment. These transactions are also subject to compliance with the provisions governing the reduction of capital.
  By decision of the Board of Directors and in agreement with the Supervisory Board, the bank may refund all or part of the shares in this class under the same conditions.
  P shares with priority interests are issued by the regional banks of Crédit Mutuel de Normandie and Midi-Atlantique, and by the "Cautionnement Mutuel de l'Habitat" mutual credit union, a mutual guarantee company that since 1999 has issued shares with priority interests, the subscription of which is reserved for distributors of guaranteed loans, excluding Crédit Mutuel Alliance Fédérale.

As of December 31, 2023, the capital of the Crédit Mutuel local banks is as follows:

- €259.9 million for A shares;
- €7,999.6 million for B shares and equivalent;
- €3.2 million for P shares.

22b Unrealized or deferred gains and losses (attributable to the group)

	12/31/2023	12/31/2022 restated
Unrealized or deferred gains or losses [1] relating to:		
■ investments of insurance activities in FVTPL – Debt instruments	-815	-897
■ investments of insurance activities in FVTPL – Equity instruments	1,228	864
■ financial assets at fair value through recyclable equity – debt instruments	-157	-190
■ financial assets at fair value through non-recyclable equity – equity instruments	17	99
■ hedging derivatives (CFH)	-1	19
■ translation adjustments	146	157
■ share of unrealized or deferred gains and losses of associates	-40	-37
■ actuarial gains and losses on defined benefit plans	-189	-95
■ credit risk on financial liabilities under fair value transferred to reserves	-	-
■ other	-	-
TOTAL	**188**	**-80**

(1) Balances net of corporation tax and after shadow accounting treatment.

22c Recycling of gains and losses directly recognized in shareholders' equity

	12/31/2023	12/31/2022 restated
	Operations	Operations
Translation adjustments		
Reclassification in income	-	0
Other movement	-11	76
Subtotal	**-11**	**76**
Revaluation of financial assets at FVOCI – debt instruments		
Reclassification in income	-	0
Other movement	33	-177
Subtotal	**33**	**-177**
Revaluation of financial assets at FVOCI – equity instruments		
Reclassification in income	-	0
Other movement	-82	-3
Subtotal	**-82**	**-3**
Remeasurement of hedging derivatives		
Reclassification in income	-	0
Other movement	-20	17
Subtotal	**-20**	**17**
Revaluation of financial assets at FVOCI of Insurance		
Reclassification in income	-	
Other movement	2,625	-8,376
Subtotal	**2,625**	**-8,376**
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity		
Reclassification in income	-	-
Other movement	-2,179	7,553
Subtotal	**-2,179**	**7,553**
Actuarial gains and losses on defined benefit plans	-95	288
Share of unrealized or deferred gains and losses of associates	-3	-1
TOTAL	**268**	**-623**

22d Tax related to each category of gains and losses recognized directly in shareholders' equity

	12/31/2023			12/31/2022 restated		
	Gross amount	Tax	Net amount	Gross amount	Tax	Net amount
Translation adjustments	-11	0	-11	76	0	76
Revaluation of financial assets at FVOCI – debt instruments	33	0	33	-233	55	-177
Revaluation of financial assets at FVOCI – equity instruments	-82	0	-82	-3	-1	-3
Revaluation of financial assets at FVOCI of Insurance	3,459	-834	2,625	-11,362	2,987	-8,376
Remeasurement of hedging derivatives	-27	7	-20	23	-6	17
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity	-2,937	758	-2,179	10,181	-2,628	7,553
Revaluation of non-current assets	0	0	0	0	0	0
Revaluation differences related to own credit risk on financial liabilities under FVO transferred to reserves	0	0	0	0	0	0
Actuarial gains and losses on defined benefit plans	-137	42	-95	415	-127	288
Share of unrealized or deferred gains and losses of associates	-3	0	-3	-1	0	-1
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**296**	**-27**	**268**	**-904**	**281**	**-623**

Note 23 Commitments given and received

COMMITMENTS GIVEN

	12/31/2023	12/31/2022 restated
Financing commitments	**86,326**	**89,359**
Liabilities due to credit institutions	632	489
Commitments to customers	85,694	88,870
Guarantee commitments	**27,084**	**27,078**
Credit institution commitments	4,671	5,401
Customer commitments	22,413	21,677
Securities commitments	**3,957**	**2,410**
Other commitments given	3,957	2,410
Commitments pledged from Insurance	**5,646**	**5,906**

COMMITMENTS RECEIVED

	12/31/2023	12/31/2022 restated
Financing commitments	**22,243**	**16,404**
Commitments received from credit institutions	22,242	16,404
Commitments received from customers	1	0
Guarantee commitments	**114,001**	**118,881**
Commitments received from credit institutions	62,072	60,970
Commitments received from customers	51,929	57,911
Securities commitments	**736**	**1,872**
Other commitments received	736	1,872
Commitments received from Insurance	**5,702**	**6,817**

SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	12/31/2023	12/31/2022 restated
Assets sold under repurchase agreements	37,537	53,244
Related liabilities	36,540	54,585

OTHER ASSETS GIVEN AS COLLATERAL FOR LIABILITIES

	12/31/2023	12/31/2022 restated
Loaned securities	0	390
Security deposits on market transactions	6,287	4,659
TOTAL	**6,287**	**5,049**

Note 24 Interest and similar income and expense

	12/31/2023		12/31/2022 restated	
	Income	Expenses	Income	Expenses
Credit institutions and central banks [1]	7,190	-3,145	1,498	-682
Customers	14,699	-7,930	10,628	-2,745
■ of which finance and operating leases	1,047	-358	663	-209
■ of which lease obligations	0	-11	0	-9
Hedging derivatives	7,569	-7,035	2,404	-2,308
Financial instruments at fair value through profit or loss	1,365	-658	665	-84
Financial assets at fair value through equity	1,245	0	436	0
Securities at amortized cost	191	0	30	0
Debt securities	0	-4,971	0	-1,824
Subordinated debt	0	-23	0	-15
TOTAL	**32,259**	**-23,762**	**15,660**	**-7,657**
of which interest income and expense calculated at effective interest rate	*23,326*	*-16,069*	*12,592*	*-5,266*

(1) Of which a -€40 million impact of negative interest rates on income and +€20 million in expenses in 2023, and a -€278 million impact of negative interest rates on income and + €205 million in expenses in 2022.

Interest expenses on central banks include interest calculated as part of TLTRO III transactions, for which the terms and conditions were specified by the ECB (see note 1 – Accounting principles).

Note 25 Commissions

	12/31/2023		12/31/2022 restated	
	Income	Expenses	Income	Expenses
Credit institutions	15	-13	26	-17
Customers	2,049	-29	1,973	-26
Securities	1,133	-103	1,160	-67
■ of which activities managed on behalf of third parties	863	0	857	0
Derivative instruments	4	-11	7	-11
Currency transactions	29	-2	32	-2
Funding and guarantee commitments	165	-97	186	-115
Services provided	2,808	-1,363	2,785	-1,383
TOTAL	**6,203**	**-1,618**	**6,169**	**-1,622**

Note 26 Net gains on financial instruments at fair value through profit or loss

	12/31/2023	12/31/2022 restated
Trading instruments	209	240
Instruments accounted for under the fair value option	20	31
Ineffective portion of hedges	1	26
On fair value hedges (FVH)	1	26
■ Change in the fair value of hedged items	1,892	-2,821
■ Change in fair value of hedging instruments	-1,891	2,847
Foreign exchange gains/(losses)	173	58
Other financial instruments at fair value through profit or loss[1]	406	345
Total changes in fair value	809	700

(1) Of which €254 million came from private equity in 2023 compared to €350 million in 2022. The other changes correspond to changes in the fair value of the other portfolios at fair value.

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Note 27 Net gains or losses on financial assets at fair value through shareholders' equity

	12/31/2023	12/31/2022 restated
Dividends	27	24
Realized gains and losses on debt instruments	-185	-161
TOTAL	**-159**	**-137**

Note 28 Net gains or losses resulting from derecognition of financial assets at amortized cost

	12/31/2023	12/31/2022 restated
Financial assets at amortized cost	-	-
Gains/(losses) on:	0	0
Government securities	0	0
Bonds and other fixed-income securities	0	0
TOTAL	**0**	**0**

Note 29 Net income from insurance activities

	12/31/2023	12/31/2022 restated
Revenues from insurance contracts	7,098	6,900
Losses from insurance contracts	-5,760	-5,662
Income from insurance contracts	**1,338**	**1,238**
Expenses net of reinsurance treaties	-34	88
Insurance service result	**1,304**	**1,326**
Financial income or financial expenses from insurance contracts issued	5,787	-2,636
Net income from insurance financial investments	-5,736	2,680
Financial income or expenses related to reinsurance contracts held	3	1
Other income and expenses	0	0
TOTAL	**1,358**	**1,371**

29a Breakdown of income from insurance and reinsurance activities

	12/31/2023	12/31/2022 restated
INSURANCE		
Income from insurance contracts not measured under the premium allocation approach (PAA)		
■ Contractual service margin recognized in income over the period	799	771
■ Change in the adjustment for non-financial risk not related to past services	136	116
■ *Portion of premiums allocated to the recovery of insurance acquisition cash flows*	*14*	*12*
■ Expected claims expenses for the period and other related expenses	1,615	1,647
■ Other	15	13
Income from insurance contracts not measured under the premium allocation approach (PAA)	**2,579**	**2,559**
Income from insurance contracts measured under the premium allocation approach (PAA)	**4,519**	**4,341**
Expenses related to insurance contracts	**-5,760**	**-5,662**
TOTAL Insurance service result	**1,338**	**1,238**
REINSURANCE		
Income from reinsurance contracts not measured under the premium allocation approach (PAA)		
■ Contractual service margin recognized in income over the period	-5	-6
■ Change in the adjustment for non-financial risk not related to past services	-1	-1
■ Expected claims expenses for the period and other related expenses	-13	-15
■ Other	0	0
Income from reinsurance contracts not measured under the premium allocation approach (PAA)	**-19**	**-22**
Income from reinsurance contracts measured under the premium allocation approach (PAA)	**-111**	**-98**
Revenues from insurance contracts	**96**	**207**
TOTAL REINSURANCE SERVICE RESULT	**-34**	**88**

29b Net income from investments related to insurance activities

	12/31/2023	12/31/2022 restated
Interest and similar income and expense	**1,750**	**1,423**
Loans and receivables at amortized cost	-14	-5
Financial instruments at fair value through profit or loss	347	242
Financial assets at fair value through equity	1,417	1,186
Commissions on securities	**31**	**44**
Net gains on financial instruments at fair value through profit or loss	**4,361**	**-4,346**
■ Trading instruments	0	0
■ Foreign exchange gains/(losses)	-12	16
■ Other financial instruments at fair value through profit or loss	4,373	-4,362
Net gains or losses on financial assets at fair value through shareholders' equity	**42**	**226**
■ Dividends	121	87
■ Realized gains and losses on debt instruments	-79	139
Net gains or losses on financial assets and liabilities at amortized cost	**0**	**0**
Net income on investment property	**-382**	**27**
Cost of credit risk on investments related to insurance activities	**-1**	**3**
TOTAL	**5,801**	**-2,623**

29c Relationship between insurance income/financial expense and investment return on assets

	12/31/2023	12/31/2022 restated
Interest and similar income and expense	1,413	1,277
Other investment income	4,570	-3,783
Cost of risk on insurance financial investments	-2	3
Net investment income	**5,982**	**-2,503**
Change in fair value of underlying items of contracts with direct participation feature	-5,712	2,716
Impact of the risk mitigation option	0	0
Accrued interest	-81	-36
Accretion of insurance liabilities	0	0
Impact of changes in discount rates and other financial assumptions	-3,226	11,876
net foreign exchange losses	0	0
Net financial expense on insurance contracts	**-9,020**	**14,556**
Accrued interest	4	1
Other income	15	-70
Net financial result from reinsurance contracts	**19**	**-69**
Change in investment contracts (liabilities)	3,892	-13,443
Changes in investments in consolidated companies	0	0
TOTAL	**872**	**-1,459**
of which recognized in profit or loss	*249*	*178*
of which recognized in OCI	*623*	*-1,637*

Note 30 Income/expenses generated by other activities

	12/31/2023	12/31/2022 restated
INCOME FROM OTHER ACTIVITIES		
Rebilled expenses	119	116
Other income	1,490	1 621
Subtotal	**1,609**	**1 737**
EXPENSES ON OTHER ACTIVITIES		
Investment property:	-9	-9
■ additions to provisions/depreciation	-9	-9
Other expenses	-630	-586
Subtotal	**-639**	**-595**
NET TOTAL OF OTHER INCOME AND EXPENSES	**970**	**1,143**

Note 31 General operating expenses

	12/31/2023	12/31/2022 restated
Employee benefit expense	-5,498	-5,179
Other operating expenses	-2,865	-2,681
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	-809	-751
TOTAL	**-9,172**	**-8,611**

31a Employee benefit expense

	12/31/2023	12/31/2022 restated
Wages and salaries [1]	-3,210	-3,098
Social security contributions	-1,470	-1,217
Short-term employee benefits	-2	-2
Employee profit-sharing and incentive schemes	-376	-436
Payroll-based taxes	-400	-381
Employee benefit expense related to non-attributable insurance activities	-43	-43
Other	3	-2
TOTAL	**-5,498**	**-5,179**

(1) This item takes into account the effect of the French Supreme Court rulings of 09/13/2023 regarding the acquisition of paid leave during medical leave for illness or non-workplace accident leave.

WORKFORCE

Average workforce	12/31/2023	12/31/2022 restated
Bank technical staff	39,448	39,443
Managers	30,739	29,903
TOTAL	**70,187**	**69,346**
France	57,736	56,753
Rest of the world	12,451	12,593
Registered workforce [1]	77,283	77,457

(1) The registered workforce corresponds to the total number of employees at at the end of the period for entities controlled by the group, which differs from the average full-time equivalent (so-called FTE) workforce, which focuses solely on full consolidation.

31b Other operating expenses

	12/31/2023	12/31/2022 restated
Taxes and duties [1]	-473	-607
Leases	-299	-253
■ short-term asset leases	-80	-85
■ low value/substitutable asset leases [2]	-207	-158
■ other leases	-12	-10
Other external services	-1,844	-1,629
Other non-attributable operating expenses related to insurance activities	-83	-69
Other miscellaneous expenses	-166	-123
TOTAL	**-2,865**	**-2,681**

(1) The entry "Taxes and duties" includes an expense of -€217 million as part of the contribution to the Single Resolution Fund in 2023, compared to a -€319 million expense in 2022.
(2) Includes IT equipment.

31c Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets

	12/31/2023	12/31/2022 restated
Depreciation and amortization:	-761	-749
■ property, plant and equipment	-641	-624
including usage rights	-245	-233
■ intangible assets	-120	-125
Write-downs:	-44	-1
■ property, plant and equipment	-1	-2
■ intangible assets	-43	1
Depreciation, amortization and impairment related to non-attributable insurance activities	-4	-1
TOTAL	**-809**	**-751**

31d Reconciliation of expenses by type *versus* destination for insurance activities

	12/31/2023			12/31/2022 restated		
	Non-attributable costs	Related costs	Total	Non-attributable costs	Related costs	Total
Employee benefit expense	**43**	**974**	**1,017**	**43**	**963**	**1,006**
Wages and salaries	26	862	888	26	864	890
Social security contributions	9	54	64	10	54	63
Short-term employee benefits	1	6	7	1	4	5
Employee profit-sharing and incentive schemes	4	31	35	3	19	23
Payroll-based taxes	3	19	22	3	20	23
Other	0	1	1	1	1	2
Other operating expenses	**83**	**841**	**923**	**69**	**873**	**942**
Taxes & duties	0	49	49	0	56	56
Leases	0	19	19	3	16	19
■ short-term asset leases	0	0	0	0	0	0
■ low value/substitutable asset leases	0	0	0	0	0	0
■ other leases	0	19	19	3	16	19
Other external services	58	757	815	60	781	840
Patronage	9	0	9	0	0	0
Other miscellaneous expenses	15	17	32	7	20	27
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	**4**	**3**	**7**	**1**	**7**	**8**
Amortizations	4	3	7	1	7	8
■ Property plant and equipment	3	3	6	1	7	8
including usage rights	3	0	3	0	4	4
■ Intangible assets	0	0	0	0	0	0
Write down	0	0	0	0	0	0
■ Property plant and equipment	0	0	0	0	0	0
■ Intangible assets	0	0	0	0	0	0
General operating expenses related to insurance activities	**129**	**1,818**	**1,947**	**113**	**1,843**	**1,956**
Commissions, fees and other similar expenses	0	177	177	0	244	244
Acquisition costs for the period deferred on the balance sheet	0	-27	-27	0	-20	-20
Amortized acquisition costs	0	0	0	0	0	0
Impaired acquisition costs	0	0	0	0	0	0
Other expenses related to insurance activities	**0**	**150**	**150**	**0**	**224**	**224**
TOTAL INSURANCE CONTRACT COSTS	**129**	**1,968**	**2,097**	**113**	**2,068**	**2,181**
of which insurance contracts attributable costs allocated to insurance services expenses	-	1,968	1,968	-	2,068	2,068
of which insurance contracts non-attributable costs not allocated to insurance services expenses	129	-	129	113	-	113

Note 32 Cost of counterparty risk

	12/31/2023	12/31/2022 restated
12-month expected losses (S1)	40	-297
Expected losses at maturity (S2)	140	420
Impaired assets (S3)	-1,476	-891
TOTAL	**-1,296**	**-768**

The cost of risk on financial instruments used in insurance activities is presented in net revenue (see note 29a).

12/31/2023	Allowances	Reversals	Loan losses covered by pensions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-1,103**	**1,143**	**-**	**-**	**-**	**40**
■ Loans and receivables due from credit institutions at amortized cost	-2	4	-	-	-	2
■ Customer loans at amortized cost	-951	1,000	-	-	-	49
of which finance leases	-45	42	-	-	-	-3
■ Financial assets at amortized cost – securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-22	21	-	-	-	-1
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-127	117	-	-	-	-10
Expected losses at maturity (S2)	**-1,777**	**1,917**	**-**	**-**	**-**	**140**
■ Loans and receivables due from credit institutions at amortized cost	0	1	-	-	-	1
■ Customer loans at amortized cost	-1,678	1,825	-	-	-	147
of which finance leases	-56	57	-	-	-	1
■ Financial assets at amortized cost – securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-98	91	-	-	-	-7
Impaired assets (S3)	**-2,462**	**1,763**	**-589**	**-296**	**108**	**-1,476**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans at amortized cost	-2,330	1,666	-589	-293	108	-1,438
of which finance leases	-16	16	-9	-3	1	-11
■ Financial assets at amortized cost – securities	0	2	0	0	0	2
■ Financial assets at fair value through equity – Debt securities	-3	0	0	0	0	-3
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-129	95	0	-3	0	-37
TOTAL	**-5,341**	**4,822**	**-589**	**-296**	**108**	**-1,296**

12/31/2022 restated	Allowances	Reversals	Loan losses covered by pensions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-731**	**434**	**-**	**-**	**-**	**-297**
■ Loans and receivables due from credit institutions at amortized cost	-3	2	-	-	-	-1
■ Customer loans at amortized cost	-586	319	-	-	-	-267
of which finance leases	-58	25	-	-	-	-33
■ Financial assets at amortized cost – securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-10	6	-	-	-	-4
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-131	106	-	-	-	-25
Expected losses at maturity (S2)	**-1,002**	**1,422**	**-**	**-**	**-**	**420**
■ Loans and receivables due from credit institutions at amortized cost	-1	0	-	-	-	-1
■ Customer loans at amortized cost	-900	1,209	-	-	-	309
of which finance leases	-61	62	-	-	-	1
■ Financial assets at amortized cost – securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-3	6	-	-	-	3
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-99	207	-	-	-	108
Impaired assets (S3)	**-1,578**	**1,617**	**-742**	**-318**	**130**	**-891**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans at amortized cost	-1,493	1,527	-732	-307	130	-875
of which finance leases	-12	17	-7	-5	1	-6
■ Financial assets at amortized cost – securities	0	19	0	0	0	19
■ Financial assets at fair value through equity – Debt securities	0	0	-8	0	0	-8
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-85	71	-2	-11	0	-27
TOTAL	**-3,312**	**3,474**	**-742**	**-318**	**130**	**-768**

Note 33 Net gains and losses on other assets

	12/31/2023	12/31/2022 restated
Property, plant and equipment and intangible assets	9	11
■ Capital losses on disposals	-18	-25
■ Capital gains on disposals	27	36
Gains/(losses) on disposals of shares in consolidated entities	36	-233
TOTAL	**45**	**-222**

Note 34 Changes in the value of goodwill

	12/31/2023	12/31/2022 restated
Impairment of goodwill	0	-971
Negative goodwill stated in profit or loss	0	0
TOTAL	**0**	**-971**

Note 35 Income tax

BREAKDOWN OF INCOME TAX EXPENSE

	12/31/2023	12/31/2022 restated
Current taxes	-1,535	-1,439
Deferred tax expense	13	-139
Adjustments in respect of prior years	-24	9
TOTAL	**-1,546**	**-1,569**

RECONCILIATION BETWEEN THE INCOME TAX EXPENSE RECOGNIZED AND THE THEORETICAL INCOME TAX EXPENSE

	12/31/2023	12/31/2022 restated
Taxable result	5,636	5,054
Theoretical tax rate	25.83%	25.83%
Theoretical tax expense	**-1,456**	**-1,306**
Impact of preferential "SCR" and "SICOMI" rates	70	82
Impact of reduced rate on long-term capital gains	38	41
Impact of different tax rates paid by foreign subsidiaries	-16	-21
Permanent differences	-167	-347
Other	-16	-19
Income tax expense	**-1,546**	**-1,569**
Effective tax rate	**-27.44%**	**30.77%**

Note 36 Outstandings on related party transactions

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	12/31/2023		12/31/2022 restated	
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation
ASSETS				
Financial assets at fair value through profit or loss	39	870	3	309
Financial assets at FVOCI	0	0	0	0
Financial assets at amortized cost	5,127	2,295	4,859	3,183
Investments of insurance activities	0	88	0	84
Insurance contracts issued - Assets	0	0	0	0
Reinsurance contracts held - Assets	0	0	0	0
Other assets	6	12	46	5
TOTAL	**5,172**	**3,265**	**4,907**	**3,581**
LIABILITIES				
Liabilities at fair value through profit or loss	66	205	99	53
Debt securities	0	20	0	20
Due to credit institutions	470	581	1,445	859
Due to customers	1	5	6	35
Insurance contracts issued - liabilities	0	0	0	0
Debt securities	0	66	0	66
Miscellaneous liabilities	4	1	0	0
TOTAL	**541**	**877**	**1,550**	**1,034**
Financing commitments given	0	0	0	6
Guarantees commitments given	24	4	27	45
Financing commitments received	0	0	0	0
Guarantees commitments received	0	704	0	720

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	12/31/2023		12/31/2022 restated	
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation
Interest income	131	105	2	12
Interest expense	-74	-37	-5	-13
Commission income	0	14	-1	15
Commission expense	0	-12	0	-13
Net gains/(losses) on financial assets at FVOCI and FVPL	87	-1	-101	0
Income from insurance contracts issued	0	0	0	1
Expenses related to insurance contracts issued	0	-121	0	-123
Income and expenses related to reinsurance contracts held	0	0	0	0
Financial income or financial expenses from insurance contracts issued	0	0	0	0
Financial income or expenses related to reinsurance contracts held	0	0	0	0
Net income from financial investments related to insurance activities	0	4	0	1
Other income and expenses	28	51	10	47
General operating expenses	-9	-44	0	-50
TOTAL	**163**	**-40**	**-94**	**-124**

Note 37 Fair value hierarchy of financial instruments recognized at amortized cost

The financial instruments presented in this section include loans and borrowings. They do not include non-monetary items (shares), accounts payable and other assets, other liabilities and accruals. Non-financial instruments are not discussed in this section.

At December 31, 2023, the group refined the methodology for calculating the fair value of loans and receivables due from customers, which is based on a calculation of discounted estimated future cash flows.

The discount rates used now depend on the type of loan (mortgages, consumer loans, equipment and cash) and the lending rate curves observed at the end of the fiscal year.

As of December 31, 2022, the fair values of customer loans and receivables were estimated on the basis of a risk-free yield curve to which was added a credit spread and a liquidity spread calculated globally.

The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, i.e. the carrying amount.

Certain group entities may also make assumptions: the market value is the carrying amount for policies whose terms refer to a floating rate, or whose remaining term is less than or equal to one year.

Readers' attention is drawn to the fact that loans and receivables carried at amortized cost are not transferable or are not, in practice, sold prior to maturity. Consequently, capital gains or losses will not be recognized.
However, if financial instruments carried at amortized cost were to be sold, their sale price could differ significantly from the fair value calculated at December 31, 2023.

	12/31/2023					
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**556,789**	**592,619**	**2,128**	**71,804**	**482,858**	**556,789**
Loans and receivables due from credit institutions	62,878	66,843	0	62,820	58	62,878
Loans and receivables due from customers [1]	490,148	521,951	0	7,560	482,589	490,148
Securities	3,763	3,825	2,128	1,424	211	3,763
Investments in insurance business line at amortized cost	**179**	**179**	**0**	**179**	**0**	**179**
Loans and receivables	179	179	0	179	0	179
Financial liabilities at amortized cost	**689,135**	**693,324**	**909**	**393,514**	**294,712**	**689,135**
Due to credit institutions	49,585	50,034	0	49,507	78	49,585
Due to customers	480,920	481,095	0	198,443	282,477	480,920
Debt securities	147,249	150,692	0	135,240	12,009	147,249
Subordinated debt	11,380	11,502	909	10,324	147	11,380

(1) The fair value at December 31, 2022 of loans and receivables receivables recognized at amortized cost as presented below has not been modified to reflect the effects at that date of the methodological refinement carried out in 2023.

	12/31/2022 restated					
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**509,621**	**562,705**	**2,185**	**59,667**	**447,768**	**509,621**
Loans and receivables due from credit institutions	51,747	57,173	0	51,738	9	51,747
Loans and receivables due from customers	454,548	502,097	0	6,987	447,560	454,548
Securities	3,326	3,436	2,185	942	199	3,326
Investments in insurance business line at amortized cost	**974**	**974**	**0**	**974**	**0**	**974**
Loans and receivables	974	974	0	974	0	974
Financial liabilities at amortized cost	**658,736**	**671,165**	**-651**	**433,580**	**225,807**	**658,736**
Due to credit institutions	67,972	69,250	0	67,936	36	67,972
Due to customers	454,477	456,983	0	228,736	225,741	454,477
Debt securities [1]	127,155	135,072	0	127,125	30	127,155
Subordinated debt	9,131	9,861	-651	9,783	0	9,131

(1) The fair value of financial liabilities at amortized cost in the balance sheet is disclosed above in accordance with IFRS 13.

Note 38 Relations with the group's key executives

On February 20, 2019, the Board of Directors of Caisse Fédérale du Crédit Mutuel implemented a compensation and termination benefits package within Caisse Fédérale de Crédit Mutuel for the Chairman and Chief Executive Officer.

This Board decided to pay, subject to performance conditions:

- termination benefits for Mr. Nicolas Théry as Chairman of the Board of Directors, representing two years' compensation as a corporate officer, *i.e.* an estimated commitment of €2,401,000 (including social security contributions);
- termination benefits for Mr. Daniel Baal as Chief Executive Officer, representing two years of compensation as a corporate officer, *i.e.* a commitment estimated at €2,402,000 (including social security contributions).

The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis as of that date.

During the year, the group's key executives also benefited from the group's collective insurance and supplementary pension plans. However, the group's key executives did not enjoy any other specific benefits. No capital securities or securities giving access to share capital or the right to acquire capital securities of BFCM or CIC was allocated to them. In addition, they do not receive attendance fees because of their office, whether in group companies or in other companies, but because of their functions within the group.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees.

TOTAL COMPENSATION PAID TO KEY EXECUTIVES [1]

	12/31/2023	12/31/2022
(in € thousands)	Overall compensation	Overall compensation
Corporate officers – Management Committee – Board members receiving compensation	9,798	9,619

(1) See also the section on corporate governance.

The amount of provisions for retirement benefits and long-service awards amounted to €2,848 thousand as of December 31, 2023.

Note 39 Risk exposure

The information on risk exposure as required by IFRS 7 is given in Chapter 4, note 39 on risks in the management report.

Note 40 Fees to statutory auditors

	12/31/2023			
	KPMG		PricewaterhouseCoopers France	
	Amount *(in millions of euros ex VAT)*	*%*	Amount *(in millions of euros ex VAT)*	*%*
AUDIT OF THE ACCOUNTS				
■ Parent entity	0.238	2%	0.093	2%
■ Fully consolidated subsidiaries	8.095	77%	4.105	75%
NON-AUDIT SERVICES (NAS)				
■ Parent entity	-	0%	-	0%
■ Fully consolidated subsidiaries	2.177	21%	1.298	23%
TOTAL	**10.510**	**100%**	**5.496**	**100%**
of which fees paid to the statutory auditors in France for the statutory audit of the financial statements:	*4.899*	-	*3.215*	-
of which fees paid to the statutory auditors in France for non-audit services:	*0.450*	-	*0.391*	-

	12/31/2022			
	KPMG		PricewaterhouseCoopers France	
	Amount *(in millions of euros ex VAT)*	*%*	Amount *(in millions of euros ex VAT)*	*%*
AUDIT OF THE ACCOUNTS				
■ Parent entity	0.165	1%	0.184	3%
■ Fully consolidated subsidiaries	9.284	73%	4.700	80%
NON-AUDIT SERVICES (NAS)				
■ Parent entity	-	0%	-	0%
■ Fully consolidated subsidiaries	3.220	26%	0.994	17%
TOTAL	**12.669**	**100%**	**5.878**	**100%**
of which fees paid to the statutory auditors in France for the statutory audit of the financial statements:	*6.078*	-	*4.038*	-
of which fees paid to the statutory auditors in France for non-audit services:	*1.576*	-	*0.416*	-

Note 41 Events after the reporting period and other information

The consolidated financial statements of Crédit Mutuel Alliance Fédérale, closed as of December 31, 2023, were approved by the Board of Directors as of February 7, 2024.

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023

To the Shareholders' Meeting

Opinion

In performance of the mission entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of Crédit Mutuel Alliance Fédérale (CMAF) group for the fiscal year ended December 31, 2023, as attached hereto.

We certify that in accordance with the IFRS as adopted in the European Union, the consolidated financial statements are accurate and sincere, and give a true and fair view of the results of transactions over the past fiscal year as well as the financial position and assets at the end of the fiscal year of the group composed of the persons and entities included within the scope of consolidation.

The opinion expressed above is consistent with the content of our report to the Group Auditing and Accounting Committee.

Basis of the opinion

Accounting basis

We conducted our audit according to applicable professional standards in France. We believe that the items that we collected were of a sufficient and appropriate basis on which to form our opinion.

Our responsibilities pursuant to these standards are set out in the section of this report entitled "Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements".

Independence

We conducted our audit engagement in compliance with the independence rules provided for by the French Commercial Code and the French code of conduct (*Code de déontologie*) of statutory auditors for the period from January 1, 2023 to the date of issue of our report, and in particular we have not provided any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014, with the exception, for the firm KPMG, of a non-material service rendered to certain companies of an unconsolidated sub-group, which does not affect its professional judgment or the expression of its opinion or the exercise of its mission of certifying the consolidated financial statements of the Crédit Mutuel Alliance Fédérale group.

Comments

Without calling into question the opinion expressed above, we draw your attention to the change in accounting method concerning the application, from January 1, 2023, of IFRS 17 – Insurance Contracts and concomitantly of IFRS 9 – Financial Instruments on the financial instruments portfolios of insurance activities as set out in note 1 "Amendments applicable from January 1, 2023; Application of IFRS 17 and IFRS 9 for insurance activities" as well as in the other notes to the financial statements presenting figures related to the impacts of this change.

Justification of the assessment – Key points of the audit

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code pertaining to justification of our assessment, we bring to your attention key points of the audit as they pertain to the risk of material misstatements, which according to our professional judgment, were the most important for the audit of the consolidated financial statements for the fiscal year, as well as our response to these risks.

The assessments made in this way fall within the scope of the audit of the consolidated financial statements taken as a whole and the formation of our opinion as expressed above. We have no opinion regarding elements of these consolidated financial statements taken separately.

CREDIT RISK AND VALUATION OF IMPAIRMENTS ON CUSTOMER LOAN PORTFOLIOS

Identified risk	Our response

CMAF group banks are exposed to credit risks inherent to their activities, particularly with regard to customer loans.
 	
In this respect and as indicated in note 1-II-1-8 "*Measurement of credit risk*" to the consolidated financial statements, the group recognizes impairments according to the IFRS 9 model:
■ for non-downgraded performing loans (stage 1) and downgraded performing loans (stage 2), provisioning is made on the basis of expected credit losses at 12 months and maturity;
■ for non-performing loans (stage 3), the impairment is equal to the difference between the carrying amount and the present value at the interest rate of the original loan, of the estimated future cash flows, allowing for the effect of guarantees.
 	
The classification of outstandings between the various stages provided for by IFRS 9 and the measurement of expected or actual credit losses for customer loan portfolios require the exercise of greater judgment and the consideration of assumptions by the CMAF group, in particular in order to:
■ determine the methods used to assess the significant deterioration in credit risk in order to classify the outstandings into stages 1 and 2 or the proven risk (stage 3), depending in particular on the business segments;
■ estimate the amount of credit losses for the various stages.
 	
As presented in note 10c to the consolidated financial statements, at December 31, 2023, the total gross amount of customer loans outstanding amounted to €532,054 million and the total amount of impairment was €10,103 million.
 	
Given the importance of judgment in the assessment of credit risk and the determination of the classification and impairments on customer loans (stages 1 to 3), in particular, in a context of persistent uncertainties marked by the tensions on commodities and energy, inflation and the rise in interest rates, we considered that the classification of outstanding customer loans between the different categories provided for by the standard IFRS 9 and the valuation of recognized impairments is a key point of the audit.
	With regard to outstandings classified in stages 1 and 2, the work we carried out consisted of:
	■ taking note, during a critical review, of the conclusions of the work carried out by the statutory auditors of the Crédit Mutuel group on the methodological options and impairment models defined by Management. This work covered in particular:
	  ■ a review of the system put in place to classify receivables between the various stages and assessing the amount of expected credit losses,
	  ■ a review of the methods and measures used for the various parameters and models for calculating expected credit losses,
	  ■ the analysis of the methods used to determine the various macroeconomic scenarios used to calculate value adjustments, as well as the related financial information,
	  ■ the performance of data quality tests as well as checks on the information systems used to determine expected credit losses;
	■ carrying out data analysis work relating to the correct classification of outstandings by category (stages 1 and 2);
	■ examining the reconciliations made between the data from the IT tools used to calculate expected losses and the accounts;
	■ analyzing changes in the portfolio and levels of impairment, by stage and for a selection of entities between December 31, 2022 and December 31, 2023 in order to assess their overall consistency.
	
	As regards outstandings classified in stage 3, we reviewed the processes and tested the controls put in place by your group to identify loans and receivables presenting a proven risk of default, as well as the procedures for estimating the corresponding impairments, in a context of persistent uncertainties marked by tensions on commodities and energy, inflation and the rise in interest rates. The work consisted mainly of reviewing:
	■ the application of the classification of outstandings under stage 3 in a sampling of loans;
	■ the systems that guarantee the quality of the data used by calling on our IT specialists;
	■ the credit risk monitoring process, by taking note of the conclusions of the specialized committees in charge of monitoring stage 3 receivables and the recognition of the related impairments;
	■ the main assumptions used to estimate individual impairments on a sample of the corporate bank's loan files, and to check the documentation of the credit rating;
	■ changes over time in key indicators: ratio of stage 3 outstandings to total outstandings and coverage ratio of stage 3 outstandings by depreciation. Each time that an indicator differed from the average, we analyzed the differences observed.
	
	Finally, we have assessed the appropriate nature of the information provided in the notes to the consolidated financial statements.

VALUATION OF COMPLEX FINANCIAL INSTRUMENTS CLASSIFIED AS LEVEL 2 AND LEVEL 3 FAIR VALUE

Identified risk	Our response
As part of its proprietary trading and group treasury activities and in connection with the services offered to customers, your group holds financial instruments for trading purposes. These financial instruments are financial assets or liabilities recognized in the balance sheet at their fair value as mentioned in note 1. II-1-1-1 *"Loans, receivables or debt securities acquired"* of the notes to the consolidated financial statements. The gain or loss on revaluation of these financial instruments in the balance sheet on the closing date is recognized in profit or loss. As presented in note 8 to the consolidated financial statements, at December 31, 2023, the total amount of financial instruments classified in fair value levels 2 and 3 amounted to €26,016 million in assets and €16,685 million in liabilities. In our opinion, the valuation of complex financial instruments classified under level 2 and level 3 fair value was a key point of the audit as it entails a significant risk of material misstatements in the consolidated financial statements, requiring the exercise of judgment, particularly regarding: ■ the determination of unobservable market valuation inputs and the categorization of the instruments according to the fair value hierarchy for financial assets and liabilities; ■ the use of internal valuation models; ■ the estimation of the main valuation adjustments, to account for risks such as counterparty or liquidity risks; ■ the analysis of any valuation differences with counterparties recorded in the context of margin calls.	We reviewed the processes and controls implemented by the group to identify and measure complex financial instruments, including: ■ the governance of valuation models and value adjustments; ■ the controls related to the collection of the inputs needed to value complex financial instruments classified under levels 2 and 3; ■ independent justification and validation of the results recorded on these transactions. Our audit team included specialists in the valuation of complex financial instruments. With their assistance, we also: ■ conducted our own valuation tests on a sample of complex financial instruments; ■ analyzed the internal identification and validation processes of the primary value adjustments applied to financial instruments and their evolution over time. Our analyses dealt with the examination of methodologies retained on market reserves and value adjustments and the governance mechanism put in place to control the adjustments made; ■ reviewed the main differences in margin calls, in order to assess the consistency of the valuations previously used; ■ analyzed the criteria used in the fair value hierarchy as described in note 8 "*Hierarchy of the fair value of financial instruments assessed at fair value carrying amount*" in the notes to the consolidated financial statements.

MEASUREMENT OF THE PRIVATE EQUITY DIVISION'S FAIR VALUE LEVEL 3 INVESTMENTS

Identified risk	Our response
Through its private equity subsidiaries, your group has investments recognized at fair value through profit or loss. These instruments are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal. Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss". If the financial instrument is traded in an active market, its fair value is the quoted price. In order to estimate the fair value of securities when they are not listed in an active market, your group applies a mark-to-model approach based specifically on unobservable data, as outlined in the paragraph "Determination of the fair value of financial instruments" in note 1.3 "Accounting policies and principles" of the notes to the consolidated financial statements. In a context of persistent uncertainties marked by tensions on commodities and energy, inflation and the rise in interest rates, we considered that the measurement of the fair value through profit or loss of equity securities unlisted or recognized in level 3 was a key point of the audit given the use of judgment by Management in determining their fair value and the complexity of the models used to estimate it.	We have reviewed the processes and controls put in place by your group pertaining to the valuation of equity investments recognized at fair value in level 3 of the private equity division. The work performed with our assessment and modeling based on a sampling, has consisted of: ■ analyzing the valuation methods and unobservable valuation data used by your group for lines valued on the basis of a mark-to-model approach; and assessing the inclusion of the context in the data used for the valuation; ■ where applicable, verifying that the valuation used by your group was comparable to the price observed during a similar and recent transaction; ■ analyzing the gains or losses resulting from changes in fair value, and verifying any associated impairment.

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VALUATION OF GOODWILL

Identified risk	Our response
Your group has undertaken external growth operations which led to the recognition of goodwill. This goodwill amounted to €2,351 million in net value at December 31, 2023 and is presented in a separate line in the balance sheet and in note 19 - Goodwill to the consolidated financial statements. As noted in note 1.I.8 to the consolidated financial statements, goodwill represents the difference between the carrying amount and the fair value of the assets and liabilities of the entities acquired. Goodwill is allocated to Cash-Generating Units and is subject to impairment tests at least once a year or whenever an indication of loss of value appears. When their recoverable amount falls below the carrying amount, impairment is recognized. As indicated in note 19 to the consolidated financial statements, the recoverable amount is determined according to two methods: ■ the fair value net of selling costs, based on observing valuation ratios on comparable transactions or market parameters selected by analysts on entities with similar activities; ■ the value in use, which is based on discounting future expected cash flows to current value. As regards the value in use, cash flows are based on medium-term business plans drafted by management, then on an ad infinitum forecast according to a long-term growth rate after taking into account capital requirements. We considered that the assessment of goodwill constitutes a key point of the audit owing to: ■ its material significance on your group's consolidated balance sheet; ■ the significance of Management's judgment when choosing the recoverable amount method and regarding the value in use, the assumptions of future results of the companies in question and the discount rate applied to projected cash flows.	We took note of the processes implemented by the group to measure the need for impairment of goodwill. The work performed with our assessment and modeling experts to examine the recoverable amount determined by your group specifically consisted of: ■ an analysis of the methodology used; ■ an assessment of the main parameters and assumptions used in comparison with the available market data. As regards the value in use method, we also performed: ■ a review of the projected business plans from which projected cash flows were determined; ■ a recalculation of the values in use determined by your group for a sampling of goodwill; ■ an analysis of the available sensitivity tests (as presented in note 19) in order to assess the value in use used.

ASSESSMENT OF THE IMPACT OF THE FIRST-TIME ADOPTION OF IFRS 17 – INSURANCE CONTRACTS

Identified risk	Our response
The implementation of IFRS 17 – Insurance Contracts from January 1, 2023 results in significant changes in accounting policies and valuation rules for insurance contracts as well as changes in the presentation of the financial statements. It was applied retrospectively to insurance contracts outstanding at the transition date on January 1, 2022. Crédit Mutuel Alliance Fédérale presented the impact of this new accounting standard in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, which includes the comparative information related to January 1, 2022, as well as the impact of the accounting policy choices on the opening balance of shareholders' equity and on the opening balance sheet. Note 1 to the consolidated financial statements "*Accounting policies and principles*" to the consolidated financial statements of Crédit Mutuel Alliance Fédérale presents in particular the qualitative and quantitative information required by IFRS 17 as well as the main choices of accounting methods applied to the transition. According to this note, the adoption of this new accounting standard led to the recognition of an overall impact of -€868 million on shareholders' equity at January 1, 2022 and the constitution of a gross contractual service margin at the beginning of the period before tax of €6,274 million. The application of IFRS 17 involves new accounting and actuarial estimates involving increased judgment by management in the choice of the appropriate accounting methods in the context of the transition arrangements as well as in the determination of key assumptions and parameters to reflect the most probable estimated future situation. The significance of the changes in the measurement and recognition of insurance contract liabilities resulting from this new accounting standard, the choice of accounting policies and the significant use of management's judgment in determining certain key assumption, led us to consider the assessment of the impact of the first-time adoption of IFRS 17 – Insurance Contracts as a key point of the audit.	In particular, we performed the following audit procedures: ■ familiarizing ourselves with and assessing the processes and controls defined by management to determine the impact of the adoption of IFRS 17 on the consolidated financial statements at January 1, 2022, as well as the comparative financial statements as at December 31, 2022; ■ analyzing the choice of accounting methods and judgments made by management with regard to the provisions of IFRS 17; ■ assessing the parameters and assumptions used in the transition methods applied to calculate the contractual service margin (under the modified retrospective approach or the fair value transition approach); ■ assessing, with the help of our actuarial modeling specialists, the methodologies and key judgments used to determine the actuarial valuation models (including those related to the determination of the contractual service margin and the key discount rate parameters used by management) in view of the provisions of IFRS 17; ■ performing tests, on the basis of sampling and our risk assessment, on the data, assumptions and key modeling parameters and on the restatements made and used in the calculation of the opening balances and comparative statements presented; ■ assessing the appropriateness of the information in the notes to the consolidated financial statements in connection with the transition to the new IFRS 17 standard with regard to the requirements of IAS 8.

MEASUREMENT OF INSURANCE CONTRACT LIABILITIES

Identified risk	Our response
At December 31, 2023, Crédit Mutuel Alliance Fédérale recorded liabilities related to insurance contracts for an amount of €119,727 million as presented in note 13c to the consolidated financial statements. As explained in note 13c to the consolidated financial statements, liabilities related to insurance contracts are valued in accordance with IFRS 17, which is based in particular on the following principles: ■ the determination of the best estimate of the present value of cash flows to be paid or received, necessary to fulfill contractual obligations to policyholders: the measurement of future cash flows involves significant uncertainties induced by the use of complex actuarial models based on cash flow valuation methodologies adapted to the commitments as well as data and assumptions relating to future periods; ■ the definition of risk adjustment for non-financial risks, intended to cover uncertainty about the amount and timing of future cash flows as insurance contracts are executed. In particular, the group has exercised its judgment in the choice of the level of confidence and the diversification grid applied; ■ the determination of the contractual service margin representing the present value of deferred future profits attributable to shareholders over the period of coverage of the profitable insurance contracts and recognized in the income statement on the basis of the units of coverage defined by the group and appropriate to the groups of insurance contracts in question. Due to the long-term horizon of the commitments related to insurance contracts, their sensitivity to the economic and financial environment and the significant use of management's judgment in the choice of assumptions and complex techniques for modeling commitments to reflect the most likely future situation, we considered the valuation of insurance contract liabilities to be a key point of the audit.	With the assistance of our actuarial modeling and IFRS accounting specialists, we performed the following audit procedures: ■ obtaining an understanding of the processes and methodologies defined by the group's management to determine, in accordance with the principles of IFRS 17, the best estimate of the present value of future cash flows necessary to fulfill the contractual obligations to policyholders of insurance contracts; ■ performing audit procedures on the internal control environment of the information systems involved in data processing and actuarial calculations concerning the valuation of insurance contract commitments; ■ assessing the eligibility of insurance contracts in the "life insurance" business lines to the "variable fees" accounting valuation model and assessing the correct application by management of these valuation methods to "savings & retirement" insurance contracts in accordance with the provisions of IFRS 17; ■ assessing and testing the key controls implemented by management. In this context, we assessed the control systems relating to the methodologies, judgments and key assumptions made by management, as well as those related to governance and controls relating to the processes and the validation of actuarial models for the projection of discounted future cash flows applied to commitments under "savings and retirement" insurance contracts. In particular, we assessed the appropriateness of any changes in assumptions, parameters or modeling of actuarial processes involved in the measurement of future cash flows; ■ testing, on a sample basis, the main methodologies, assumptions and key actuarial parameters used to determine the estimates of discounted future cash flows (including those used in the context of changes in assumptions or actuarial modeling of future cash flows), the risk adjustment for non-financial risks and the contractual service margin. Assessing, on a sample basis, the reasonableness of these estimates (including analysis of the sensitivity of the valuation results obtained by applying the assumptions and models used by management); ■ testing, on a sample basis, the reliability of the underlying data used in the projection models and the discounted best estimate future cash flow calculations. These verification procedures include the assessment of the processes used to determine the reversal in the income statement for the period in respect of the risk adjustment for non-financial risks and the contractual service margin; ■ performing analytical procedures on any developments in order to identify any inconsistent or unexpected material changes; ■ assessing the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Specific checks

In accordance with the professional standards applicable in France, we have also performed the specific checks required by the legal and regulatory texts as regards information concerning the group, given in the management report by the Board of Directors.

We have no comment to make as to its accuracy or consistency with the consolidated financial statements.

We hereby certify that the consolidated Non-Financial Performance Statement provided for in Article L.225-102-1 of the French Commercial Code is included in the information relating to the group given in the management report, it being specified that, in accordance with the provisions of Article L.823-1011 of this Code, the information contained in this statement has not been verified by us as to its fair presentation or consistency with the consolidated financial statements, and that it must be reported on by an independent third party.

Other verifications or information required by laws and regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors with respect to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified that the consolidated financial statements to be included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are the responsibility of the Chief Executive Officer, comply with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

With respect to the consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced the same way in the consolidated financial statements attached to this report.

It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we have based our work.

Appointment of statutory auditors

We were appointed as statutory auditors of the Crédit Mutuel Alliance Fédérale group by your Shareholders' Meeting of May 4, 2018 for PricewaterhouseCoopers France and May 10, 2022 for KPMG S.A.

As of December 31, 2023, PricewaterhouseCoopers France was in the sixth year of its uninterrupted mission and KPMG S.A. in the second year.

Responsibilities of management and those in charge of corporate governance regarding the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union and to implement internal control procedures as it deems necessary for the preparation of consolidated financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

During the preparation of consolidated financial statements, it is incumbent upon management to assess the company's ability to continue as a going concern, and as the case may be, the necessary information with regard to business continuity and to apply the standard accounting policy for a going concern, unless it is foreseen to liquidate the company or cease doing business.

The Group Auditing and Accounting Committee is responsible for monitoring the process of preparing financial information and monitoring the effectiveness of the internal control and risk management systems, as well as the internal audit, where applicable, with regard to procedures related to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements

Audit objective and approach

Our responsibility is to prepare a report regarding the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements, as a whole, contain no material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards may systematically detect every material misstatement. Misstatements may come from fraud or result from errors and are considered as significant when one can reasonably expect that they may, either individually or cumulatively, influence economic decisions made by users who make decisions based on the financial statements.

As specified by Article L.821-55 of the French Commercial Code, our mission in certifying financial statements does not consist of guaranteeing the viability or quality of your company's management.

In the context of an audit completed in accordance with professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit process.

Furthermore:

- they identify and assess the risk that the consolidated financial statements contain material misstatements and that such misstatements result from fraud or errors, define and implement audit procedures to address these risks and collect information that they consider a sufficient and appropriate basis for such opinion. The risk of non-detection of a material misstatement from fraud is higher than a material misstatement resulting from any error, because fraud may involve collusion, falsification, deliberate omissions, false statements or circumventing internal controls;
- they acknowledge relevant internal control for the audit in order to determine the appropriate audit procedures for the circumstance, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- they assess the appropriateness of application by management of the accounting policy for a going concern and, depending on the items gathered, the existence or not of any significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment relies on the items collected up to the date of their report, however, with the reminder that subsequent circumstances or events could call into question business continuity. If the statutory auditors conclude that significant uncertainty exists, they bring the information provided in the consolidated financial statements regarding such uncertainty to the attention of readers of their report or, if such information is not provided or is not relevant, the statutory auditors issue a qualified opinion or a denial of opinion;
- they assess the overall presentation of the consolidated financial statements and assess whether or not the consolidated financial statements reflect the underlying transactions and events to provide a true and fair view thereof;
- regarding the financial information of the persons or entities included within the scope of consolidation, they gather items deemed sufficient and appropriate to express an opinion on the consolidated financial statements. The statutory auditors are responsible for the management, supervision and preparation of the audit of the consolidated financial statements, as well as the opinion expressed on these financial statements.

Group Auditing and Accounting Committee report

We submit a report to the Group Auditing and Accounting Committee that presents the scope of the audit work and the work program implemented, as well as the conclusions arising from our work. Where applicable, we also inform it of any significant weaknesses in internal control that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements communicated in the report to the Group Auditing and Accounting Committee are the risks of material misstatement that we consider to have been the most significant for the audit of the consolidated financial statements for the fiscal year and which therefore constitute the key points of the audit, which we are required to describe in this report.

We also provide the Group Auditing and Accounting Committee with the declaration required by Article 6 of Regulation (EU) No. 537-2014, confirming our independence, within the meaning of the rules applicable in France as they are set by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French code of conduct for statutory auditors. Where applicable, we discuss the risks to our independence and the safeguard measures applied with the Group Auditing and Accounting Committee.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 9, 2024

The statutory auditors

KPMG S.A.

Sophie Sotil-Forgues
Partner

Arnaud Bourdeille
Partner

PricewaterhouseCoopers France

Laurent Tavernier
Partner

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To help tackle the problem of inadequate housing, the Crédit Mutuel Alliance Fédérale Foundation supports **Toit à moi**, an association that rehomes homeless or isolated people, helping them to change their lives by housing them in apartments they own, and helping them resolve their problems.

7

BFCM Consolidated Financial Statements

7.1 BFCM CONSOLIDATED FINANCIAL STATEMENTS

7.1.1 Balance sheet

Balance sheet (assets)

(in € millions)	12/31/2023	12/31/2022 restated	01/01/2022	Notes
Cash and central banks	97,074	111,454	120,723	4
Financial assets at fair value through profit or loss	33,188	28,599	23,722	5a
Hedging derivatives	2,325	4,253	2,128	6a
Financial assets at fair value through equity	36,922	34,327	30,978	7
Securities at amortized cost	3,786	3,397	3,640	10a
Loans and receivables due from credit institutions and similar at amortized cost	62,878	57,969	57,059	10b
Loans and receivables due from customers at amortized cost	336,388	322,279	286,482	10c
Revaluation adjustment on rate-hedged books	-558	-2,733	449	6b
Financial investments of insurance activities	131,752	122,842	136,639	13a
Insurance contracts issued - Assets	15	18	26	13a
Reinsurance contracts held - Assets	312	328	277	13a
Current tax assets	1,076	971	809	14a
Deferred tax assets	852	931	976	14b
Accruals and miscellaneous assets	7,580	7,355	8,159	15a
Non-current assets held for sale	0	4,874	107	3c
Investments in equity consolidated companies	865	821	799	16
Investment property	38	28	30	17
Property, plant and equipment	2,426	2,339	2,377	18a
Intangible assets	462	471	488	18b
Goodwill	2,111	2,109	3,098	19
TOTAL ASSETS	**719,492**	**702,632**	**678,967**	**-**

Balance sheet (liabilities)

(in € millions)	12/31/2023	12/31/2022 restated	01/01/2022	Notes
Central banks	31	44	605	4
Financial liabilities at fair value through profit or loss	17,939	18,772	12,082	5b
Hedging derivatives	4,426	6,725	2,034	6a
Debt securities at amortized cost	150,276	134,560	121,463	11a
Due to credit and similar institutions at amortized cost	59,280	81,256	83,072	11b
Due to customers at amortized cost	299,302	283,682	274,257	11c
Revaluation adjustment on rate-hedged books	-27	-14	13	6b
Current tax liabilities	532	387	582	14a
Deferred tax liabilities	453	451	779	14b
Accruals and miscellaneous liabilities	10,934	11,274	9,673	15b
Debt related to non-current assets held for sale	0	3,622	-	3c
Insurance contracts issued - liabilities	119,526	110,282	124,464	13c, 13d
Provisions	2,740	2,453	3,604	20
Subordinated debt at amortized cost	12,003	10,361	9,607	21
Total shareholders' equity	**42,079**	**38,776**	**36,731**	**22**
Shareholders' equity – Attributable to the group	**37,771**	**34,548**	**32,658**	**22**
Capital and related reserves	6,568	6,495	6,197	22a
Consolidated reserves	28,011	25,738	23,458	22a
Gains and losses recognized directly in equity	190	-26	477	22b
Profit (loss) for the period	3,002	2,341	-2,526	-
Shareholders' equity – Non-controlling interests	**4,308**	**4,228**	**-4,073**	**-**
TOTAL LIABILITIES	**719,492**	**702,632**	**-678,967**	**-**

7.1.2 Income statement

(in € millions)	12/31/2023	12/31/2022 restated	Notes
Interest and similar income	29,216	12,738	24
Interest and similar expenses	-22,491	-6,413	24
Commissions (income)	4,343	4,275	25
Commissions (expenses)	-1,338	-1,276	25
Net gains on financial instruments at fair value through profit or loss	793	657	26
Net gains or losses on financial assets at fair value through shareholders' equity	-159	-137	27
Net gains or losses resulting from derecognition of financial assets at amortized cost	0	0	28
Income from insurance contracts issued	7,207	7,004	29.29a
Expenses related to insurance contracts issued	-6,147	-6,000	29,29a
Income and expenses related to reinsurance contracts held	-34	88	29
Financial income or financial expenses from insurance contracts issued	-5,736	2,680	29
Financial income or expenses related to reinsurance contracts held	3	1	29
Net income from financial investments related to insurance activities	5,799	-2,625	29 b
Income from other activities	863	1,025	30
Expenses on other activities	-512	-484	30
Net revenue	**11,808**	**11,533**	**-**
General operating expenses	-5,694	-5,372	31a, 31d
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-363	-325	31b, 31c, 31d
Gross operating income	**5,751**	**5,836**	**-**
Cost of counterparty risk	-1,279	-743	32
Operating income	**4,472**	**5,093**	**-**
Share of net profit/(loss) of equity consolidated companies	51	56	16
Net gains and losses on other assets	2	-235	33
Changes in the value of goodwill	0	971	34
Income before tax	**4,525**	**3,943**	**-**
Income taxes	-1,180	-1,265	35
Net income	**3,345**	**2,678**	**-**
Net income – Non-controlling interests	343	336	-
NET PROFIT ATTRIBUTABLE TO THE GROUP	**3,002**	**2,341**	**-**
Basic earnings per share (in €)	87.61	68.86	36
Diluted earnings per share (in €)	87.61	68.86	36

Statement of net income and gains and losses recognized in shareholders' equity

(in € millions)	12/31/2023	12/31/2022 restated
Net income	**3,345**	**2,678**
Translation adjustments	-12	72
Revaluation of financial assets at fair value through equity – capital instruments	39	-171
Remeasurement of hedging derivatives	-25	21
Revaluation of equity instruments recognized at fair value through equity of insurance activities	2,531	-9,928
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity	-2,440	8,822
Share of unrealized or deferred gains and losses of associates	-2	-1
Total recyclable gains and losses recognized directly in equity	**90**	**-1,184**
Revaluation of financial assets at fair value through equity – equity instruments at closing	-83	-11
Revaluation of equity instruments recognized at fair value through equity of insurance activities	413	193
Impact of revaluation of VFA insurance contracts - non-recyclable	15	-64
Revaluation differences related to own credit risk on financial liabilities under FVO	-	-
Revaluation of non-current assets	-	-
Actuarial gains and losses on defined benefit plans	-48	255
Share of non-recyclable gains and losses of equity consolidated companies	-	-
Total non-recyclable gains and losses recognized directly in equity	**296**	**374**
Net profit/(loss) and gains and (losses) recognized directly in equity	**3,731**	**1,868**
o/w attributable to the group	3,218	1,838
o/w percentage of non-controlling interests	514	29

The terms net to gains and losses recognized directly in equity are presented for the amount net of tax.

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7.1.3 Changes in shareholders' equity

				Gains and losses recognized directly in equity							
(in € millions)	Capital	Premiums	Reserves [1]	Translation adjustments	Assets at fair value through equity	Derivative hedging instruments	Actuarial gains and losses	Group net income	Shareholders' equity attributable to the group	Non-controlling interests	Total consolidated shareholders' equity
Shareholders' equity as of December 31, 2021	**1,689**	**4,509**	**21,759**	**42**	**1,093**	**2**	**-299**	**2,487**	**31,282**	**3,845**	**35,127**
Impacts of IFRS 17 and IFRS 9 insurance	-	-	711	-	-457	-	-	-	254	131	385
Correction of error regarding Vie Mutuelle consolidation	-	-	987	-	96	-	-	39	1,122	97	1,219
Shareholders' equity as of January 1, 2022	**1,689**	**4,509**	**23,458**	**42**	**732**	**2**	**-299**	**2,526**	**32,658**	**4,073**	**36,731**
Appropriation of earnings from previous year	-	-	2,526	-	-	-	-	-2,526	0	-	0
Capital increase	23	-	-	-	-	-	-	-	23	-	23
Distribution of dividends	-	-	-230	-	-	-	-	-	-230	-152	-382
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**23**	**0**	**2,296**	**0**	**0**	**0**	**0**	**-2,526**	**-207**	**-152**	**-359**
Consolidated income for the period	-	-	-	-	-	-	-	2,341	2,341	336	2,678
Changes in gains and (losses) recognized directly in equity	-	-	-	78	-837	17	239	-	-504	-307	-811
Subtotal	**0**	**0**	**-**	**78**	**-837**	**17**	**239**	**2,341**	**1,838**	**29**	**1,867**
Effects of acquisitions and disposals on non-controlling interests[2]	-	-	-20	-	-	-	-	-	-20	-32	-53
Other changes	-	275	5	-	-	-	-	-	280	309	589
Shareholders' equity as of December 31, 2022	**1,711**	**4,784**	**25,738**	**120**	**-105**	**19**	**-60**	**2,341**	**34,548**	**4,228**	**38,776**
Appropriation of earnings from previous year	-	-	2,341	-	-	-	-	-2,341	0	-	0
Capital increase	4	69	-73	-	-	-	-	-	0	-	0
Distribution of dividends	-	-	-183	-	-	-	-	-	-183	-385	-568
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**4**	**69**	**2,086**	**0**	**0**	**0**	**0**	**-2,341**	**-183**	**-385**	**-568**
Consolidated income for the period	-	-	-	-	-	-	-	3,002	3,002	343	3,345
Changes in gains and (losses) recognized directly in equity	-	-	-	-14	293	-20	-43	-	216	170	386
Subtotal	**0**	**0**	**0**	**-14**	**293**	**-20**	**-43**	**3,002**	**3,218**	**514**	**3,731**
Impacts of acquisitions and disposals on non-controlling interests[2]	-	-	134	-	-	-	-	-	134	-15	119
Other changes	-	-	53	-	-	-	-	-	53	-33	20
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2023	**1,715**	**4,853**	**28,011**	**106**	**188**	**-1**	**-103**	**3,002**	**37,771**	**4,308**	**42,079**

(1) Total reserves at December 31, 2023 amounted to €28,011 million and comprise the legal reserve for €171 million, other reserves for €7,433 million and consolidated reserves for €20,407 million.

(2) Concerns the discounting of the debt related to the Cofidis, as well as the recognition of a put at the Press division level and the inclusion of Caroline 1 in the scope of consolidation.

7.1.4 Net cash flow statement

(in € millions)	12/31/2023	12/31/2022 restated
Net income	3,345	2,678
Taxes	1,180	1,265
Income before tax	**4,525**	**3,943**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	326	319
- Impairment of goodwill and other fixed assets	26	971
+/- Net provisions and impairments	636	-340
+/- Share of income from companies consolidated using the equity method	-51	-56
+/- Net loss/gain from investing activities	378	-40
+/- (Income)/expenses from financing activities	0	0
+/- Other movements	9,252	-10,650
= Total non-monetary items included in income before tax and other adjustments	**10,567**	**-9,796**
+/- Flows related to transactions with credit institutions	-23,976	-5,446
+/- Flows related to client transactions	1,284	-25,135
+/- Flows related to other transactions affecting financial assets or liabilities	-9,750	19,907
+/- Flows related to other transactions affecting non-financial assets or liabilities	-74	-5,906
- Taxes paid	-1,098	-1,426
= Net decrease/(increase) in assets and liabilities from operating activities	**-33,614**	**-18,006**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**-18,522**	**-23,860**
+/- Flows related to financial assets and investments	-371	651
+/- Flows related to investment property	-371	31
+/- Flows related to property, plant and equipment and intangible assets	-368	-211
TOTAL NET CASH FLOW RELATED TO INVESTING ACTIVITIES (B)	**-1,110**	**470**
+/- Cash flow to or from shareholders	-568	-380
+/- Other net cash flows from financing activities	8,465	7,631
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	**7,897**	**7,251**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**-20**	**345**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-11,755**	**-15,793**
Net cash flow generated from operating activities (A)	-18,522	-23,860
Net cash flow related to investing activities (B)	-1,110	470
Net cash flow related to financing transactions (C)	7,897	7,251
Effect of foreign exchange rate changes on cash and cash equivalents (D)	-20	345
Cash and cash equivalents at opening	**96,447**	**112,240**
Cash, central banks (assets and liabilities)	111,399	120,120
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-14,952	-7,880
Cash and cash equivalents at closing	**84,694**	**96,447**
Cash, central banks (assets and liabilities)	97,014	111,399
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-12,320	-14,952
CHANGE IN NET CASH POSITION	**-11,755**	**-15,793**

7.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF BFCM

SUMMARY OF NOTES

Figures in the notes are presented in millions of euros.

Note 1 Accounting policies and principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on their adoption of said standards, the consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union at December 31, 2023.

The full framework is available on the European Commission's website: *https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements.*

The financial statements are presented in the format recommended by the *Autorité des normes comptables* (ANC - French Accounting Standards Authority) Recommendation No. 2022-01 on IFRS Summary Financial Statements [1]. They comply with international accounting standards as adopted by the European Union.

Information on risk management is included in the group's management report.

Amendments applicable from January 1, 2023

Since January 1, 2023, the group has applied the amendments adopted by the European Union and the IFRIC decision as presented below:

Amendments to IAS 1 – Disclosure of accounting methods

It clarifies the information to provide on "significant" accounting methods. They are considered significant when, taken together with other information from the financial statements, it is possible to reasonably expect them to influence the decisions of the financial statements' main users.

Amendments to IAS 8 – Definition of accounting estimates

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

They represent the amounts in the financial statements whose assessment is uncertain.

Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The OECD's Pillar 2 rules, taken up by Directive 2022/2523 and transposed into the Finance Act 2024, are intended to establish a minimum level of worldwide taxation for multinational and large-scale national corporate groups in the European Union.

Under these rules, an additional tax would be payable if the effective tax rate under the OECD's Global Anti-Base Erosion (GLoBe) rules by jurisdiction is less than 15%.

The amendment to IAS 12 provides for a mandatory temporary exemption from the recognition of deferred taxes related to Pillar 2. A project has been launched for 2023 to draw up a list of jurisdictions and estimate the current income tax expense linked to Pillar 2 from 2024. To date, the group does not anticipate any significant impact from this tax reform.

Application to IFRS 17 and IFRS 9 to insurance activities

Since January 1, 2023, the group has applied IFRS 17 - Insurance contracts and IFRS 9 - Financial instruments for its insurance activities.

Details of the IFRS 9 and IFRS 17 principles applied by the group are presented in the "Accounting principles and assessment methods" section.

Application of IFRS 17

IFRS 17 is applied retrospectively. It imposes a transition date corresponding to the beginning of the fiscal year immediately preceding the date of first application, namely January 1, 2022.

The retrospective measurement of these assets and liabilities at transition, and notably of the various portfolios of insurance contracts, may be subject to alternative approaches when the historical information necessary for a fully retrospective application is not available.

Thus, the group applies a modified retrospective approach for the majority of insurance contract portfolios, which makes it possible, based on reasonable information available without excessive cost or effort, to obtain valuations that come as close as possible to those that would result from the full retrospective application of the standard.

The differences in the valuation of insurance assets and liabilities resulting from the retrospective application of IFRS 17 as of January 1, 2022 are presented directly in shareholders' equity.

Application of the modified retrospective approach

The objective of the modified retrospective approach is to arrive at a result that is as close as possible to the result that would have been obtained by applying the full retrospective approach, based on reasonable and supportable information that can be obtained without incurring undue cost or effort.

As a result, the entities concerned have applied the modified retrospective approach to the majority of existing contract portfolios, both in personal insurance (particularly borrower insurance) and in life insurance.

The simplifications used depend on the availability of the necessary information for the portfolios in question.

For the purpose of calculating the CSM at the transition date, the group has elected to use the modified retrospective method rather than the fair value approach, provided that the modified retrospective approach is not impracticable. **The modified retrospective approach is deemed practicable as from the 2012 fiscal year.**

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(1) It should be noted that the group has chosen to group the financial instruments carried by its insurance divisions, in a different way from that proposed by the Recommendation. See Section 2.2 Insurance activities

Portfolios modeled under to the general measurement model

For contracts measured using the general measurement model, the principle of the modified retrospective approach is to reconstitute liabilities at the initial recognition date on the basis of their measurement at the transition date, by retrospectively reconstituting movements between the two dates, with the following simplifications:

- original cash flows are estimated by adding to the amount at the transition date the actual cash flows recognized between the two dates;
- the discount rate at inception can be determined using yield curves simulating those at the initial recognition date;
- changes in the adjustment for non-financial risk between the original date and the transition date can be estimated on the basis of observed slack periods on similar contracts.

For the liability for remaining coverage thus reconstituted at the original date, the initial contractual service margin (if any) is amortized on the basis of services rendered over the period prior to transition in order to determine the amount of contractual service margin remaining at that date.

When contracts are combined into a single group at the transition date, the discount rate at that date can be used.

When the option of allocating financial changes between income and shareholders' equity is chosen, the amount recorded in shareholders' equity at the transition date is reconstituted on the basis of the original rate in the case of liability for remaining coverage, and the rate at the date of the claim in the case of liability for incurred claims.

Where such reconstitution is not possible, the amount recognized in shareholders' equity is nil.

The group has chosen to retain only certain simplifications proposed by the MRA, notably the approximation of cash flows by actual past cash flows and the approximation of the risk adjustment. Groups of annual contracts from 2012 to 2021 have been reconstituted, and the calculation of the revaluation in recyclable equity for changes in discount rates has been carried out retrospectively, without simplification.

Portfolios modeled under to the simplified model

In the case of contracts valued under the simplified model or Premium Allocation Approach ("PAA"), the provisions for remaining cover have been determined at transition on the basis of the former provisions for unearned premiums, gross of acquisition costs, as the group has opted to recognize acquisition costs as expenses.

Reserves for claims incurred corresponding to these contracts are made up of expected cash flows and the adjustment for non-financial risk at the transition date. The amount recognized in recyclable equity at the transition date in respect of changes in discount rates has been reconstituted on the basis of historical rates.

Portfolios modeled according to the VFA model

For life insurance contracts valued using the variable fee approach, the modified retrospective approach also involves reconstituting the liability at the original date, starting from the liability at the transition date. However, for the liability for remaining coverage, the standard requires that the contractual service margin at the transition date be determined using the following approach:

- from the realizable value of the underlying assets at the transition date are first deducted the fulfillment cash flows (discounted cash flows and risk adjustment) at that same date;
- to this amount are added the proceeds drawn from policyholders, changes in the risk adjustment and deducted the acquisition costs paid over the intervening period;
- the contractual service margin net of acquisition costs thus reconstituted at inception is then amortized up to the transition date to reflect services rendered to that date, together with acquisition costs still to be amortized.

To implement this approach, the main simplifications were as follows:

- existing contracts have been grouped according to the post-transition segmentation, without division by annual cohorts, in line with the choice of the exception provided for in the European regulation;
- the **contractual** service margin at the transition date was reconstituted as follows:
  - on the basis of the market value of the underlying assets (see above), less the fulfillment cash flows at the transition date,
  - by adding past margins derived from historical data (accounting or management), which have been re-calibrated up to the transition date (using the same approach, taking into account the "over-return" on assets, as will be used after the transition), and
  - deducting acquisition costs still to be amortized,
  - the amount recorded in recyclable equity at the transition date in respect of the accounting mismatch adjustment was determined using the realizable value of the underlying assets recognized in recyclable equity at the transition date, as required by the standard.

Application of IFRS 9

As the group deferred the application of IFRS 9, for the group's insurance entities, until the date of application of IFRS 17, IFRS 9 was applied at January 1, 2023.

To be consistent with the transition procedures of IFRS 17, and in order to provide more relevant information, the group restated the comparative data for the 2022 fiscal year relating to the relevant financial instruments of its insurance entities (including financial instruments derecognized in 2022).

The group opted for the application of the so-called “overlay” approach to recognize asset disposals for the 2022 fiscal year, as if these disposals had been recognized under IFRS 9, in accordance with the amendment relating to the presentation of IFRS 9-IFRS 17, adopted by the EU in September 2022.

This overlay approach makes it possible to standardize the impact of the transition on consolidated shareholders' equity under IFRS 9 and IFRS 17 at January 1, 2022.

The valuation differences of the financial assets and liabilities concerned, and the impairment for credit risk and gains and losses recognized directly in equity resulting from the retrospective application of IFRS 9 at January 1, 2022, will be presented directly in shareholders' equity.

Other impacts related to the application of IFRS 17

With effect from the first-time application of IFRS 17, the group has applied the amendments to IAS 40 and IAS 16 resulting from IFRS 17, leading to the measurement at market value through profit or loss of properties held as underlying items in direct participating contracts.

Impacts of the application of IFRS 17 and IFRS 9 at December 31, 2022

The main impacts of the application of IFRS 17 and IFRS 9 at December 31, 2022 for insurance entities were as follows:

BALANCE SHEET (ASSETS)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9 and other	Correction of error [1]	12/31/2022 published
Cash and central banks	111,454	0	0	111,454
Financial assets at fair value through profit or loss	28,599	0	-13	28,612
Hedging derivatives	4,253	0	0	4,253
Financial assets at fair value through equity	34,327	0	3	34,324
Securities at amortized cost	3,397	0	0	3,397
Loans and receivables due from credit institutions and similar at amortized cost	57,969	0	0	57,969
Loans and receivables due from customers at amortized cost	322,279	0	0	322,279
Revaluation adjustment on rate-hedged books	-2,733	0	0	-2,733
Financial investments of insurance activities*	122,842	-580	14,575	108,847
Insurance contracts issued - Assets	18	18	0	-
Reinsurance contracts held - Assets	328	328	0	-
Current tax assets	971	2	11	958
Deferred tax assets	931	-1,003	138	1,796
Accruals and miscellaneous assets	7,355	-42	-75	7,472
Non-current assets held for sale	4,874	-89	1	4,962
Postponed profit sharing	-	-48	0	48
Investments in equity consolidated companies	821	-15	-41	877
Investment property	28	0	0	28
Property, plant and equipment	2,339	-101	2	2,438
Intangible assets	471	0	-1	472
Goodwill	2,109	-1	0	2,110
TOTAL ASSETS	**702,632**	**-1,531**	**14,600**	**689,563**

**This item includes insurance business investment property.*

(1) Correction of error. Until December 31, 2022, the mutual insurance company ACM Vie was not consolidated by Banque Fédérative du Crédit Mutuel (BFCM) due to its status as a "mutuelle". This entity is under the control of the group within the meaning of IFRS 10 via Groupe des Assurances du Crédit Mutuel (GACM), which fully controls it, and should have been fully consolidated in the consolidated financial statements of BFCM to the tune of its 66% stake in GACM. BFCM considers that this error did not generate a significant economic impact and corrected it for the 2023 fiscal year and on the opening balance sheet.

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BALANCE SHEET (LIABILITIES)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9 and other	Correction of error [1]	12/31/2022 published
Central banks	44	0	0	44
Financial liabilities at fair value through profit or loss	18,772	0	-10	18,772
Hedging derivatives	6,725	0	0	6,725
Due to credit and similar institutions at amortized cost	81,256	6,965	-19	74,310
Due to customers at amortized cost	283,683	0	-5	283,698
Debt securities at amortized cost	134,560	0	-648	135,208
Revaluation adjustment on rate-hedged books	-14	0	0	-14
Current tax liabilities	387	-103	1	489
Deferred tax liabilities	451	-355	14	792
Accruals and miscellaneous liabilities	11,274	47	-8	11,235
Debt related to non-current assets held for sale	3,622	-98	0	3,720
Liabilities related to insurance contracts	-	-120,122	13,631	106,492
Insurance contracts issued - liabilities	110,283	109,563	720	-
Reinsurance contracts held - liabilities	0	0	0	-
Provisions	2,453	1	33	2,419
Subordinated debt at amortized cost	10,361	910	0	9,451
Total shareholders' equity	**38,775**	**1,661**	**892**	**36,222**
Shareholders' equity – Attributable to the group	**34,548**	**1,094**	**1,013**	**32,441**
Capital and related reserves	6,495	0	0	6,495
Consolidated reserves	25,738	656	984	24,098
Gains and losses recognized directly in equity	-26	450	-36	-441
Profit (loss) for the period	2,341	-12	65	2,288
Shareholders' equity – Non-controlling interests	**4,227**	**567**	**-122**	**3,781**
TOTAL LIABILITIES	**702,632**	**-1,531**	**14,600**	**689,563**

(1) Correction of error. Until December 31, 2022, the mutual insurance company ACM Vie was not consolidated by Banque Fédérative du Crédit Mutuel (BFCM) due to its status as a "mutuelle". This entity is under the control of the group within the meaning of IFRS 10 via Groupe des Assurances du Crédit Mutuel (GACM), which fully controls it, and should have been fully consolidated in the consolidated financial statements of BFCM to the tune of its 66% stake in GACM. BFCM considers that this error did not generate a significant economic impact and corrected it for the 2023 fiscal year and on the opening balance sheet.

NET PROFIT/(LOSS)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9 and other	Correction of error [1]	12/31/2022 published
Net interest margin	6,326	-1	3	6,324
Commissions	2,999	16	-5	2,988
Net gains or losses resulting from the derecognition of financial assets	519	0	-9	528
Insurance service result	1,149	-1,793	590	2,352
Income/expenses generated by other activities	540	63	-1	478
Net revenue	**11,533**	**-1,715**	**578**	**12,670**
General operating expenses	-5,697	1,718	-499	-6,916
Gross operating income	**5,836**	**3**	**79**	**5,754**
Cost of risk	-743	0	0	-743
Operating income	**5,093**	**3**	**79**	**5,011**
Other comprehensive income	-1,151	-8	-2	-1,141
Income taxes	-1,265	-13	-18	-1,234
Net income	**2,677**	**-18**	**59**	**2,636**
Net profit/(loss) – Non-controlling interests	336	-6	-5	347
NET PROFIT ATTRIBUTABLE TO THE GROUP	**2,341**	**-12**	**65**	**2,288**

(1) Correction of error.
Until December 31, 2022, the mutual insurance company ACM Vie was not consolidated by Banque Fédérative du Crédit Mutuel (BFCM) due to its status as a "mutuelle".
This entity is under the control of the group within the meaning of IFRS 10 via Groupe des Assurances du Crédit Mutuel (GACM), which fully controls it, and should have been fully consolidated in the consolidated financial statements of BFCM to the tune of its 66% stake in GACM.
BFCM considers that this error did not generate a significant economic impact and corrected it for the 2023 fiscal year and on the opening balance sheet.

The main transition effects related to IFRS 17 and IFRS 9 as of December 31, 2022 were:

a) The cancellation of insurance assets and liabilities under IFRS 4:

- in assets for €1,752 million, of which €402 million for reinsurance assets held, mainly technical reserve within "Financial investments of insurance activities",
- in liabilities for €120,121 million, of which €112,004 million in respect of insurance liabilities issued, mainly mathematical reserves within "Insurance contract liabilities issued".

b) The recognition of insurance and reinsurance assets and liabilities:

- as assets for €346 million in "Insurance contracts issued and reinsurance held",
- as liabilities for €109,698 million in "Insurance contracts issued",
- the reclassification of related receivables and payables in the measurement of insurance liabilities and reinsurance assets, previously recognized in "Accruals" and in "Other liabilities".

c) The revaluation of financial assets under "Financial investments of insurance activities" under IFRS 9 for €1,760 million was mainly due to the reclassification of the proprietary trading portfolio at amortized cost.

The group also applied the amendments to IAS 40, resulting from IFRS 17, leading to the valuation at fair value through profit or loss of the properties held as underlying items of direct participating contracts and to recognizing €3,613 million in "Financial investments of insurance activities".

Financial liabilities recognized under IFRS 4 in "Insurance contract liabilities issued" are reclassified in the banking presentation aggregates for €6,965 million, of which €6,965 million in "Due to credit institutions" and €910 million in "Subordinated debt at amortized cost".

d) The application of IFRS 17 and IFRS 9 led to a net deferred tax impact on the group's shareholders' equity of €1,661 million at January 1, 2023.

The transition to IFRS 17 requires including, in the valuation of insurance contracts, distribution and management costs at group level (the employee benefits expense, administrative costs, depreciation & amortization expenses on non-current assets, etc.) directly attributable to the execution of insurance contracts and presenting them in "insurance services expenses" in net revenue.

Thus, future profits are to be presented at the level of the banking and insurance group restated for the internal margin generated by the distributor banking networks.

Impact of the transition on shareholders' equity

The impact of the transition on the insurance and banking scope was as follows at January 1, 2022:

	Accounting shareholders' equity
At 12/31/2021	**35,127**
IFRS 9 impairment	-26
Impact of reclassifications at FVPL	1,110
Effect of reclassifications at FVOCI	650
Impact of reclassifications at amortized cost	0
Deferred tax	-487
Other	7
At 01/01/2022 after application of IFRS 9	**36,381**
FTA IFRS 17	-868
At 01/01/2022 after application of IFRS 17 and 9	**35,513**
Correction of error*	1,218
At 01/01/2022	**36,731**

Effect of application of IFRS 17

The impact of the transition from IFRS 17 and IFRS 9 on shareholders' equity amounted to €385 million at January 1, 2022.

The tables below present the contractual service margin (CSM) determined at the transition date, according to the transition method applied. The first table addresses the CSM relating to insurance contracts issued, while the second table deals with the CSM ceded, for the scope of reinsurance contracts held.

(in € millions)	Full retrospective method	Modified retrospective method	Fair value	Total
i.e. Inventory of CSM at 01/01/2022 transition date	-	4,955	419	5,373

(in € millions)	Full retrospective method	Modified retrospective method	Fair value	Total
Inventory of CSM sold at 01/01/2022 transition date	-	-	60	60

The group applies the option provided for by IFRS 17 under the modified retrospective transition approach allowing the use of the discount rate curve at the January 1, 2022 transition date instead of the original discount rate curve on the date of initial recognition of the insurance contracts.

Impact of the application of IFRS 9 on financial investments of insurance activities

The following table reconciles:

- total financial investments at December 31, 2021, presented in accordance with IAS 39 (online) and total financial investments at January 1, 2022, presented in accordance with IFRS 9;
- impairments recognized in accordance with IAS 39 with provisions for credit risks recognized in accordance with IFRS 9.

At the transition date as of January 1, 2022, the impact of the transition to IFRS 9 is explained by a change in shareholders' equity related to the revaluation at market value of securities previously recognized at amortized cost (excl. tax), which will be classified at fair value through equity.

In addition, IFRS 9 does not result in any reclassification of financial liabilities.

The amount of IFRS 9 impairments at January 1, 2022 on the scope of insurance activities amounted to €26 million.

			Financial assets at fair value through profit or loss		Hedging derivatives	Financial assets at FVOCI		Financial assets at amortized cost	
	Amount at 12/31/2021	Deconsolidated insurance entities	Amount reclassified / retained	Impact IFRS 9	Amount reclassified / retained	Amount reclassified / retained	Impact IFRS 9	Amount reclassified / retained	Impact IFRS 9
At 01/01/2022									
Financial assets at fair value through profit or loss	29,071	322	28,699	-	-	51	0	0	0
Hedging derivatives	0	-	-	-	0	-	-	-	-
Available-for-sale financial assets	90,467	-182	20,106	0	-	70,526	624	17	0
of which impairment	*-1,010*	*0*	-		-	*-1,010*	*-43*	-	-
Loans and receivables due from credit institutions	5,898	-3	0	0	-	5,851	-	48	0
of which impairment		-		-	-	-	*0*	-	*0*
Loans and receivables due from customers	53	0	0	2	-	6	0	46	0
of which impairment	*0*	-	-	-	-	-	*0*	-	*0*
Held-to-maturity financial assets	6,350	1	20	0	-	6,328	0	0	0
of which impairment	*0*	-	-	-	-	-	-	-	*0*
Amount at 01/01/2022 (IFRS 9)	**131,839**	**138**		**48,827**	**0**		**83,386**		**111**

Companies excluded from the scope of consolidation

Concurrently with the first-time application of IFRS 9 and IFRS 17, the insurance companies listed in the table below have been removed from the scope of consolidation, mainly to simplify the operating process for the preparation of the financial statements, insofar as this proves to be immaterial in terms of the portfolio, financial position and results. The 17 companies concerned include insurance companies, real estate companies and other companies.

Company	Historical consolidation method
SERENIS ASSURANCES	Full Consolidation (FC)
ACM SERVICES	Full Consolidation (FC)
ASTREE	Equity Method (EM)
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Full Consolidation (FC)
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE	Full Consolidation (FC)
ASISTENCIA AVANÇADA BCN, S.L.	Full Consolidation (FC)
AMDIF, S.L.	Full Consolidation (FC)
ATLANTIS ASESORES, SL	Full Consolidation (FC)
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, S.A.	Full Consolidation (FC)
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, S.L.	Full Consolidation (FC)
ICM LIFE	Full Consolidation (FC)
MTRL	Full Consolidation (FC)
PARTNERS	Full Consolidation (FC)
ACM COURTAGE	Full Consolidation (FC)
SCI ACM COTENTIN	Full Consolidation (FC)
SCI ACM TOMBE ISSOIRE	Full Consolidation (FC)

Macroeconomic and geopolitical context

The Banque Fédérative du Crédit Mutuel group is fully mobilized to face the impacts of the Ukrainian crisis and the context of increased economic uncertainties related to the rise in interest rates, the increase in commodity prices, high inflation, tighter monetary policies and geopolitical tensions resulting from the conflict in the Middle East.

As it does not have branches in Ukraine or Russia, the Banque Fédérative du Crédit Mutuel group does not have teams present in the current areas of conflict; direct exposure in these two countries, as well as in Belarus, is therefore not significant. Furthermore, the group has no assets held by the Central Bank of Russia.

In March 2023, confidence in the financial markets was further weakened by the bankruptcies of several US banks (including the Silicon Valley Bank), the takeover of Crédit Suisse by UBS and the volatility of the price of bank securities. The group's exposures to SVB, UBS and Credit Suisse remain insignificant at group level.

Against this backdrop of great uncertainty, the group constantly monitors the status of its credit commitments, the value of its portfolios, the management of its interest rate risk, and its liquidity. It has a robust governance and risk management system in place.

Credit risk

As part of the provisioning of performing loans (in stages 1 & 2), the Banque Fédérative du Crédit Mutuel group takes into account the impacts of successive crises, as well as the macroeconomic outlook.

The level of provisioning is the result of a case-by-case analysis, carried out in order to monitor any potential increase in the credit risk of professional customers or companies in difficulty, and individual customers, who would be affected, directly or indirectly, in an economic context that remains severely deteriorated.

During 2023, in line with the recommendations issued by the European Banking Authority and the European Central Bank, the group undertook work to overhaul the multi-scenario approach, and *de facto* the methodology for calculating the probability of default used to measure the significant increase in credit risk and the assessment of expected credit losses.

– Macroeconomic scenarios

At December 31, 2023, the group has selected three macro-economic scenarios to take account of the uncertainties associated with the current macro-economic context:

- In the central scenario, inflation in France is expected to halve to 2.5% in 2024, in line with the increase in labor supply and the slight rise in the unemployment rate, reaching the 2% target from 2025 onwards. The hypothesis of an economic recession has been ruled out, but growth is expected to remain weak in 2024 and 2025 (0.6% and 1.1% respectively). The current level of key rates (4% for the deposit facility rate) is set to remain unchanged until August 2024. A first decline is expected in September 2024, once inflation is under control, followed by successive declines until the 1st quarter of 2026. Short-term interest rates would follow the trajectory of ECB rates, while long-term rates would be more stable. The yield curve would remain inverted until 2025, normalizing in 2026. The Livret A passbook account rate is fixed at 3% until January 31, 2025, before the calculation formula is applied again;
- The optimistic scenario forecasts a faster fall in inflation in France in 2024 than anticipated by the central scenario. The easing of financing conditions over 2024 would encourage more dynamic economic growth, of around 1.4% from 2025. The yield curve is expected to normalize in 2025;
- The pessimistic scenario anticipates an acceleration in inflation at the end of 2023, and a further rise in ECB key rates in 2024. This would lead to a contraction in economic activity and a collapse in growth (-1.6%) in 2024. The ECB would lower its key rates from the end of 2024, and the effects of this monetary policy would be felt from mid-2025, with a return to growth.

Macroeconomic variables and projections used in the central scenario

The main variables used to determine expected credit losses in the central scenario are detailed below:

Macroeconomic assumptions France	2022 average	2023 average	2024 average	2025 average	2026 average
Inflation rate excluding tobacco	5.3%	5.0%	2.5%	2.0%	2.0%
Oil price ***(in $)***	101	84	90	90	90
GDP growth rate	2.5%	0.8%	0.6%	1.1%	1.2%
Unemployment rate (end of period)	7.2%	7.4%	7.8%	7.8%	7.7%
MARKET RATE					
Eurozone					
EURIBOR 3 months	0.34%	3.47%	3.89%	2.95%	2.39%
France					
TEC 10 years	1.67%	3.00%	2.98%	2.81%	2.80%

– Weighting of macroeconomic scenarios

The weightings reflect the economic cycle forecast by the Banque Fédérative du Crédit Mutuel group's economists.

Changes in weightings result from the methodological changes described above:

	Central scenario	Pessimistic scenario	Optimistic scenario
At 12/31/2022	19%	80%	1%
At 12/31/2023	60%	30%	10%

The restructuring work carried out during 2023 has made it possible to better understand the prospective dimension of the expected credit loss calculation. Expected credit losses at December 31, 2023 amounted to €2,623 million, varying by -€125 million compared on December 31, 2022 (including the 2022 post-model adjustment).

At December 31, 2023, however, the group had deployed specific post-model adjustments:

- the first reinforces the model's forward-looking dimension, given the strong macroeconomic uncertainties arising from the current economic climate;
- the second is a sectoral adjustment. It is used to supplement the level of provisioning for those sectors most exposed to the risks of climate change and/or the effects of current crises, and which represent material exposures in terms of the group's business model;
- the third concerns retail portfolios (excluding individual customers) with a high default rate, with the aim of reducing the positive impact of government support measures (SGL and/or moratoria) on the credit risk assessment of the customers concerned.

At December 31, 2023, these three post-model adjustments amounted to €105 million, €57 million and €96 million respectively. They represent 9.9% of total expected credit losses.

– Sensitivity analysis

The group assesses the sensitivity of the amount of expected credit losses (including post-model adjustments). These analyses show that a 100% weighting of the:

- pessimistic scenario would imply an additional provision for expected credit losses of 7.5%, or €197 million;
- optimistic scenario would, on the other hand, lead to a 27.8% reduction in expected credit losses, or €729 million;
- central scenario would lead to a decrease in expected credit losses of 21%, or €547 million.

Risk management information

They are in Chapter 5 of the registration document.

1. Scope and methods of consolidation

1.1 Consolidating entity

The parent company of the group is Banque Fédérative du Crédit Mutuel.

1.2 Consolidation scope

The general principles for determining whether an entity is included in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.

Entities that are controlled or under significant influence that do not have a significant character in relation to the consolidated financial statements are excluded from the consolidation scope. This situation is assumed when the balance sheet total or the profit or loss of a company has no impact greater than 1% of the consolidated or sub-consolidated equivalent (in the case of consolidation by level). This quantitative criterion is but relative; an entity may be included within the scope of consolidation regardless of this threshold when its business or its expected development gives it the status of a strategic investment.

The consolidation scope comprises:

Controlled entities: control exists when the group has power over the entity, is exposed to or is entitled to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the returns it obtains. The financial statements of controlled entities are fully consolidated.

Entities under joint control: joint control is the contractually-agreed sharing of control over an entity, which exists only in the case where decisions concerning key activities require the unanimous consent of the parties sharing control. Two or more parties that exercise joint control constitute a partnership, which is either a jointly controlled operation or a joint venture:

- a jointly controlled operation is a partnership in which the parties exercising joint control have rights over the assets and obligations pursuant to liabilities relative to the entity: this involves recognizing the assets, liabilities, income and expenses relative to interests held in the entity;
- a joint venture is a partnership in which the parties who exercise joint control have rights over the net assets of the entity: the joint venture is accounted for according to the equity method.

All entities under joint control of the group are joint ventures according to the meaning of IFRS 11.

Entities over which the group has significant influence: these are entities that are not controlled by the "consolidating" entity, which may, however, participate in these entities' financial and operating policy decisions. Shareholdings in entities over which the group has significant influence are accounted for using the equity method.

Investments held by private equity companies and over which joint control or significant influence is exercised are recognized at fair value through profit or loss.

1.3 Consolidation methods

The consolidation methods used are the following:

1.3.1 Full consolidation

This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the value of non-controlling interests in equity and net income. This is the method used for all controlled entities, including those with a different account structure, regardless of whether the business concerned is an extension of that of the consolidating entity.

1.3.2 Consolidation using the equity method

This method involves replacing the value of the shares held with the equity attributable to the group and net income of the entities concerned. It is applied to all entities under joint control, classified as joint ventures or for all entities under significant influence.

1.4 Non-controlling interests

Non-controlling interests correspond to interests that do not confer control as defined by IFRS 10 and include partnership interests that entitle their holders to a share in net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Consolidated UCITS, particularly those representing unit-linked policies of insurance entities, are recognized at fair value through profit or loss. The amounts corresponding to non-controlling interests are shown under "Other liabilities".

In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis Participation to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the excess amount.

1.5 Reporting date

The reporting date for all of the group's consolidated companies is December 31.

1.6 Elimination of intercompany transactions and balances

Intercompany transactions and balances, as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements, are eliminated.

1.7 Foreign currency translation

The balance sheets of foreign subsidiaries are translated into euros at the official reporting date exchange rate. Differences arising from exchange rate fluctuations impacting the share capital, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustments". The income statement is translated at the average exchange rate for the fiscal year, which is an acceptable proxy given the absence of significant exchange rate fluctuations during the period. The resulting translation differences are recorded under "Cumulative translation adjustments". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.

1.8 Goodwill

1.8.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity's assets, liabilities and contingent liabilities are measured at their fair values at that date. Fair value adjustments correspond to the difference between the carrying amount and fair value.

1.8.2 Goodwill

In accordance with IFRS 3, at the date of acquisition of a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale (IFRS 5), which are recognized either at the fair value net of selling costs or their net carrying amount, whichever is the lowest. Goodwill corresponds to the sum of the consideration transferred and non-controlling interests, less the net amount recognized (generally at fair value) as identifiable assets acquired and liabilities assumed. IFRS 3R allows the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If the goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Changes in the value of goodwill".

If the group's stake in an entity it already controls, increases/decreases, the difference between the share acquisition cost/selling price and the portion of consolidated equity that said shares represent on the acquisition/sale date is recognized within equity.

Goodwill is presented on a separate line in the balance sheet for fully consolidated companies and under "investments in equity consolidated companies" when the entities are consolidated using this method.

Goodwill does not include direct costs related to acquisitions, which according to IFRS 3R, are recognized in profit or loss.

Goodwill is tested for impairment regularly by the group (at least once a year). The tests are designed to identify whether the goodwill has suffered a decline in value. Goodwill from a business combination is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies generated by the business combination. The recoverable amount from a CGU or group of CGUs is the value in use or the fair value less selling costs, whichever is the highest. The value in use is measured in relation to estimated future cash flows, discounted at the interest rate that reflects the current market assessments of the time value of money and specific risks to the asset of the CGU. If the recoverable amount of the cash-generating unit (CGU) to which the goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. This impairment, which is recognized in the income statement, is irreversible. In practice, cash-generating units are defined on the basis of the group's business lines.

When goodwill concerns a related company or a joint venture, it is included in the carrying amount of the value of consolidation using the equity method. In this case, it is not subject to impairment testing separately from the value of consolidation using the equity method. When the recoverable amount of this (namely the higher of the values between the value in use and the fair value less selling costs) is less than its carrying amount, a loss in value is recognized and not allocated to a specific asset. Any reversal of this impairment loss is recognized to the extent that the recoverable amount of consolidation using the equity method increases at a later date.

2. Accounting policies and principles

2.1 Financial instruments under IFRS 9

2.1.1 Classification and measurement of financial assets

Under IFRS 9, the classification and measurement of financial instruments depend on the business model and contractual terms of the financial instruments.

2.1.1.1 Loans, receivables and debt securities acquired

The asset is classified:

- at amortized cost, if it is held in order to collect contractual cash flows and if its characteristics are similar to those of a "basic" contract, see the Section below "Cash flow characteristics" ("hold-to-collect" model);
- at fair value through equity if the instrument is held to collect the contractual cash flows and to sell them when the opportunity arises, yet without holding it for trading, and if its characteristics are similar to those of a basic contract implicitly entailing a high predictability of associated cash flows ("hold-to-collect and sell" model);
- at fair value through profit or loss if:
  - it is not eligible for the two aforementioned categories (as it does not meet the "basic" criterion and/or is managed in accordance with the "other" business model), or
  - the group initially opts to classify it as such, in an irrevocable way. This option is used to reduce accounting mismatch in relation to another associated instrument.

Cash flow characteristics

Contractual cash flows which solely represent repayments of principal and the payment of interest on outstanding principal are compatible with a "basic" contract.

In a basic contract, interest mainly represents the consideration for the time value of money (including in the event of negative interest) and credit risk. Interest may also include the liquidity risk, administrative fees to manage the asset and a profit margin.

All contractual clauses must be analyzed, in particular those that could alter the timing or amount of contractual cash flows. The option, under the agreement, for the borrower or lender to repay the financial instrument early is compatible with the SPPI [1](Solely Payments of Principal and Interest) criterion for contractual cash flows, provided that the amount repaid essentially represents the outstanding principal and accrued interest, as well as, where applicable, early repayment compensation of a reasonable amount.

The compensation for early repayment is deemed reasonable if, for example:

- it is expressed as a percentage of the principal repaid and is below 10% of the nominal amount repaid; or
- it is determined according to a formula aimed at compensating the difference in the benchmark interest rate between the date on which the loan was granted and its early repayment date.

The analysis of contractual cash flows may also require their comparison with those of a reference instrument when the time value of money included in the interest is likely to change due to the contractual clauses of the instrument. This is the case, for example, when the interest rate of the financial instrument is revised periodically, but the frequency of such revisions is unrelated to the period for which the interest rate was established (*e.g.* monthly revision of an annual interest rate), or when the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the reference instrument is significant, or may become so, the financial asset cannot be considered as basic.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year and cumulatively over the life of the instrument. The quantitative analysis takes into account a range of reasonably possible scenarios. To this effect, the group has used yield curves dating back to the year 2000.

Moreover, a specific analysis is conducted in the case of securitization where there is priority of payment among holders and credit risk concentrations in the form of tranches. In that case, the analysis requires the examination of the contractual characteristics of the tranches in which the group has invested and of the underlying financial instruments, as well as the credit risk of the tranches in relation to the credit risk of the underlying financial instruments.

Note that:

- embedded derivatives in financial assets are no longer accounted for separately, which implies that the entire hybrid instrument is then considered as non-basic and recorded at fair value through profit or loss;
- units in UCITS or real estate UCI (OPCI) are not basic instruments and are recognized at fair value through profit or loss.

Business models

The business model represents the way in which the instruments are managed to generate cash flows and revenues. It is based on observable facts and not simply on management's intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at initial recognition and may be reassessed in the event of a change in model (exceptional cases).

To determine the business model, it is necessary to consider all available information, including the following:

- how the activity's performance is reported to decision-makers;
- how managers are compensated;
- the frequency, timing and volumes of sales in previous periods;
- the reason for the sales;
- future sales forecasts;
- the way in which risk is assessed.

For the "hold-to-collect" business model, certain examples of authorized sales are explicitly set out in the standard:

- in response to an increase in credit risk;
- close to maturity and that the proceeds from these sales correspond approximately to the contractual cash flows still to be received;
- exceptional (*e.g.* linked to a liquidity stress).

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(1) SPPI: Payment of Principal and Interest only.

Frequent disposals (of insignificant unit value) or infrequent disposals (even if of significant unit value) are compatible with the hold-to-collect model.

These "authorized" disposals are not taken into account in the analysis of the significant and frequent nature of sales made from a portfolio. Disposals linked to changes in the regulatory or tax framework will be documented on a case-by-case basis in order to demonstrate the "infrequent" nature of such disposals.

For other disposals, thresholds have been defined according to the maturity of the securities portfolio, *e.g.* 2% of annual disposals on outstandings in the portfolio with an average maturity of eight years (the group does not sell its loans accounted for in a hold-to-collect model).

The group has mainly developed a model based on the collection of contractual cash flows from financial assets, which applies in particular to the customer financing activities.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and the sale of these assets, as well as a model for other financial assets, in particular financial assets held for trading.

Within the group, the "hold-to-collect-and-sell" model applies primarily to proprietary cash management and liquidity portfolio management activities.

Financial assets held for trading consist of securities originally acquired with the intention of reselling them in the near future, as well as securities that are part of a portfolio of securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets at amortized cost

These mainly include:

- cash and cash equivalents, which comprise cash accounts, deposits, and demand loans and borrowings with central banks and credit institutions;
- other loans to credit institutions and loans to customers (granted directly, or the share in syndicated loans), not measured at fair value through profit or loss;
- a portion of the securities held by the group.

The financial assets classified in this category are initially recognized at their fair value, which is generally the net amount disbursed. The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competing banks.

At subsequent reporting dates, the assets are measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated life of the financial instrument to obtain the net carrying amount of the financial asset or liability. It takes into account estimated cash flows excluding future losses on loans and includes commissions paid or received when these are treated as interest, as well as directly-related transaction costs and all premiums and discounts.

For securities, the amortized cost takes into account the amortization of premiums and discounts, as well as acquisition costs, if significant. Purchases and sales of securities are recognized on the settlement date.

The income received is shown in the income statement under "Interest and similar income".

Commissions received or paid, which are directly linked to the arrangement of a loan and are treated as a component of interest, are spread over the term of the loan using the effective interest rate method and are recorded in the income statement under "Interest".

Commissions received in connection with the commercial renegotiation of loans are also spread over the term of the loan.

The restructuring of a loan following the debtor's financial difficulties entails novation of the contract. Following the definition of this concept by the European Banking Authority, the group integrated it into the information systems so that the accounting and prudential definitions are harmonized.

The fair value of assets at amortized cost is disclosed in the notes to the financial statements at the end of each reporting period. It corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost specific to the debtor.

State-guaranteed loans (SGLs)

The group is committed to the government's COVID-19 crisis-related plan to support the economy. This was further strengthened in April 2022, in the context of the conflict in Ukraine.

The group offers:

- state-guaranteed loans [1](SGL) to support the cash flow of its business and corporate customers; and
- since April 2022, Resilience SGLs for customers that have not taken out an SGL since March 2020 or who have not exceeded the limit on their first SGL.

SGLs represent 12-month bullet loans with grace periods of one to five years. At the date of subscription, the interest rate of the SGL was set at 0%, increased by the cost of the state guarantee set at between 0.25% and 0.50% (and rebilled *via* a commission paid by the customer).

At the end of the first 12 months, the beneficiary of the SGL has the option of setting a new SGL term (limited to six years in total) and amortization terms. In accordance with the government announcements of January 14, 2021, the beneficiary will be able to obtain a "deferral of one additional year" to start repaying the capital.

The Banque Fédérative du Crédit Mutuel group believes that this deferred amortization measure falls within the legal framework of the SGL (*i.e.* adjustment of the contractual schedule, with a first annual repayment term). This "deferral" does not represent, taken in isolation, an indicator of a deterioration in credit risk or the probable default of the borrower (*i.e.* unlikely to pay).

Held for the purpose of collecting cash flows and meeting the basic loan criteria, they are accounted for at amortized cost, using the effective interest rate method. On the date of initial recognition, they are recognized at their nominal value, which is representative of their fair value.

(1) The main characteristics of state-guaranteed loans and the mechanism for triggering the guarantee are summarized in Article 2 of the Order of March 23, 2020 granting state guarantees to credit institutions and financing companies and to the lenders mentioned in Article L.548-1 of the French Monetary and Financial Code.

On the subscription anniversary date, SGLs may be subject to a grace period. The revision of flows related to the recognition of guarantee commissions over the duration of the grace period is recognized as an adjustment to the carrying amount of SGLs with an immediate and positive impact on profit. This impact was immaterial as of the reporting date.

At December 31, 2023, state-guaranteed loans issued by the group amounted to €7 billion, guaranteed to the tune of €7 billion. Outstandings downgraded to stage 3 totaled €1 billion.

The valuation of the expected credit losses for these loans takes into account the effect of the state guarantee (implemented by the Banque Publique d'Investissement) for 70% to 90% of the outstanding capital and interest. As of December 31, 2023, they amounted to €0.2 billion.

Financial assets at fair value through equity

For the Banque Fédérative du Crédit Mutuel group, this category only includes securities. They are recognized at fair value in the balance sheet at the time of their acquisition, on the settlement date and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account, excluding accrued income. These unrealized gains or losses recognized in equity are only recognized in the income statement in the event of disposal or impairment (see Sections 2.1.7 "Derecognition of financial assets and liabilities" and 2.1.8 "Measurement of credit risk").

Income accrued or received is recognized in profit or loss under "Interest and similar income", using the effective interest method.

Financial assets at fair value through profit or loss

They are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal (see Section 2.1.7. "Derecognition of financial assets and liabilities"). Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Income received or accrued on financial instruments at fair value through profit or loss is recognized in the income statement under interest income/(expense). Before, this interest was recognized under "Net gains/(losses) on financial instruments at fair value through profit or loss", in order to be consistent with the regulatory statements sent to the ECB as part of the Short Term Exercise (STE).

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

2.1.1.2 Equity instruments acquired

Equity instruments acquired (shares, in particular) are classified as follows:

- at fair value through profit or loss; or
- optionally, at fair value through other non-recyclable equity at the initial recognition and in an irrevocable manner when they are not held for trading.

Financial assets at fair value through equity

Shares and other equity instruments are recorded in the balance sheet at their fair value at the time of their acquisition and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. These unrealized or deferred gains and losses booked to equity are never recognized in the income statement, even when they are sold (see Section 2.1.7 "Derecognition of financial assets and liabilities"). Only dividends received on variable-income securities are recorded in the income statement, under "Net gains/(losses) on financial assets on fair value through equity". Purchases and sales of securities are recognized on the settlement date.

Financial assets at fair value through profit or loss

Equity instruments are recognized in the same way as debt instruments at fair value through profit or loss.

2.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

2.1.2.1 Financial liabilities at fair value through profit or loss

- those incurred for trading purposes including, by default, derivatives with a negative fair value which do not qualify as hedging instruments; and
- non-derivative financial liabilities that the group originally classified as measured at fair value through profit or loss (fair value option). These include:
  - financial instruments containing one or more separable embedded derivatives,
  - instruments for which, where the fair value option is not applied, the accounting treatment would be inconsistent with that applied to another related instrument,
  - instruments belonging to a pool of financial instruments measured and managed at fair value.

The recognition of changes in fair value resulting from own credit risk concerning debts optionally designated at fair value through profit or loss is recognized in unrealized or deferred profit or loss in non-reclassifiable equity. The group is marginally concerned by the problem of own credit risk.

2.1.2.2 Financial liabilities at amortized cost

These consist of other non-derivative financial liabilities. These include amounts due to customers and to credit institutions, debt securities (certificates of deposit, interbank market securities, bonds, TLTRO [1] II and III refinancing securities etc.), as well as dated and undated subordinated debt for which measurement at fair value through profit or loss was not opted for.

Subordinated debt is separated from other debt securities since, in the event of liquidation of the debtor's assets, it is repaid only after claims by other creditors have been extinguished. Debt securities include the non-preferred senior debt instruments created by the Sapin 2 Law.

These liabilities are initially recognized at fair value in the balance sheet. At subsequent reporting dates, they are measured at amortized cost using the effective interest rate method. The initial fair value of issued securities is their issue price less transaction costs, where applicable.

(1) Targeted Longer-Term Refinancing Operations.

Regulated savings contracts

Liabilities carried at amortized cost include *comptes épargne logement* (CEL - mortgage saving accounts) and *plans épargne logement* (PEL - mortgage saving plans), which are regulated French products available to customers (natural persons). In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate two types of obligations for the distributing establishment:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as variable-rate interest);
- an obligation to grant loans to customers under predetermined terms (both PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable, compared to the interest rates offered to retail customers on similar, but unregulated, products. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL (mortgage saving plans) and CEL (mortgage saving accounts). The impact on income is recorded under interest paid to customers.

Targeted long-term refinancing operations – TLTRO III

TLTRO III transactions are financial liabilities at amortized cost.

The TLTRO III program has allowed banks to benefit since September 2019 from seven new refinancing tranches with a respective duration of three years, and with interest rates that vary according to periods, and since January 2021 from three additional tranches.

The amount of TLTRO III at which the Crédit Mutuel group can borrow depends on the percentage of outstanding loans granted to non-financial corporates and households at the end of February 2019.

The TLTRO III interest rate is based on the market conditions defined by the ECB and may include a subsidy linked to the bank's credit performance.

In the context of the health crisis, the ECB relaxed the terms of these refinancing operations to support lending to households and businesses. Some target parameters have been recalibrated [1]. In particular, more favorable conditions made it possible to benefit from a reduction of 50 bp over the special and additional special interest periods from June 2020 to June 2022 [2].

Since June 2022, as part of its monetary policy measures, the ECB had successively raised its three key rates to sufficiently restrictive levels to ensure a return to the 2% inflation target in the medium term.

On October 27, 2022, the ECB recalibrated the terms of compensation of TLTRO III transactions in order to reinforce the transmission of the increase in key rates to the conditions for granting bank loans. The interest conditions applicable to the TLTRO III have been adjusted from November 23, 2022 (and additional early redemption dates have been opened).

They are described below and take into account the achievement by the group of the credit performance targets set by the ECB over all the reference periods of the program:

- from its start date until November 22, 2022 inclusive and excluding the special or additional special interest period, the interest rate for TLTRO III operations represents the average of the deposit facility rate over this period (and no longer over the life of the operation);
- during the special interest and additional special interest periods (from June 24, 2020 to June 23, 2021 inclusive and from June 24, 2021 to June 23, 2022 inclusive, respectively), it is equal to the average of the deposit facility rates over the period less 0.50% (application of a -1% cap);
- from November 23, 2022 until the maturity date (or early repayment date), the interest rate of the TLTRO III operations will be indexed to the average of the key ECB interest rates applicable during that period.

This change is accompanied by the opening of three additional early repayment dates.

According to the Banque Fédérative du Crédit Mutuel group, TLTRO III transactions represent variable rate financial instruments carried at amortized cost. The adjustment to the interest rate conditions following this decision must be recognized in accordance with the provisions of IFRS 9 on changes in market rates for variable rate instruments.

The interest recognized but not yet due by the group takes into account, until November 22, 2022, the effect of the change in the interest rate formula between the beginning of the transaction and that date. As of November 23, 2022, the effective interest rate of the TLTRO financing transactions is calculated on the basis of the average of the deposit facility rates known between November 23, 2022 and June 30, 2026.

At December 31, 2023, the Banque Fédérative du Crédit Mutuel group participated in the TLTRO III refinancing transactions for an amount of €11.7 billion (compared to €32.2 million at December 31, 2022).

2.1.3 Debt-equity distinction

According to the IFRIC 2 interpretation, members' shares are shareholders' equity if the entity has an unconditional right to refuse redemption or if there are legal or statutory provisions prohibiting or significantly limiting redemption. Due to the existing statutory and legal provisions, the members' shares issued by structures composing the Banque Fédérative du Crédit Mutuel group's consolidating entity are recognized in shareholders' equity.

Other financial instruments issued by the group are classified as debt instruments in the group's accounts when the group has a contractual obligation to deliver cash to holders of the instruments. This is the case for subordinated notes issued by the group.

2.1.4 Foreign currency transactions

Assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rates at the reporting date.

(1) Decision (EU) 2021/124 of the ECB of January 29, 2021 amending Decision (EU) 2019/1311 concerning a third round of targeted longer-term refinancing operations (ECB/2021/3 published in the OJEU on February 3, 2021).

(2) Decision (EU) 2020/614 of the European Central Bank of April 30, 2020 amending Decision (EU) 2019/1311 on a third round of targeted longer-term refinancing operations (ECB/2020/25).

2.1.4.1 Monetary financial assets or liabilities

Foreign currency gains and losses on the translation of such items are recorded in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss".

2.1.4.2 Non-monetary financial assets or liabilities measured at fair value

Foreign exchange gains or losses arising from such translations are recognized in the income statement under "Net gains/(losses) at fair value through profit or loss" if measured at fair value through profit or loss, or recognized under "Unrealized or deferred capital gains/(losses)" if they are financial assets measured at fair value through equity.

2.1.5 Derivatives and hedge accounting

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.

The group has elected to continue to apply the provisions of IAS 39. However, in accordance with IFRS 7 (revised), additional information on the management of risks and the impacts of hedge accounting on the financial statements is provided in the notes or in the management report.

Moreover, the provisions of IAS 39 concerning the fair value hedge of the interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, continue to apply.

Derivatives are financial instruments which have the following three characteristics:

- their value fluctuates in response to changes in the underlying items (interest rates, exchange rates, share prices, indices, commodities, credit ratings, etc.);
- their initial cost is low or nil;
- their settlement takes place at a future date.

The Banque Fédérative du Crédit Mutuel group uses simple derivative instruments (swaps, vanilla options), mainly interest rate instruments, which are essentially classified in level 2 of the value hierarchy.

All financial derivative instruments are recorded at fair value under financial assets or financial liabilities. They are recognized by default as trading instruments unless they can be classified as hedging instruments.

2.1.5.1 Determining the fair value of derivatives

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are valued using standard, generally accepted models (discounted cash flow method, Black and Scholes model or interpolation techniques), based on observable market data such as yield curves. The valuations given by these models are adjusted to take into account the liquidity risk and the credit risk associated with the instrument or parameter in question and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions, as well as the counterparty risk captured by the positive fair value of over-the-counter derivatives. The latter includes the own counterparty risk present in the negative fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Derivatives are recognized as financial assets when their market value is positive and as financial liabilities when their market value is negative.

2.1.5.2 Classification of derivatives and hedge accounting

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

By default, all derivatives not designated as hedging instruments under IFRS are classified as "Financial assets or financial liabilities at fair value through profit or loss", even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, meets the definition criteria for a derivative. It has the effect, notably, of changing certain cash flows in the same way as a stand-alone derivative.

The derivative is detached from the host contract and recognized separately as a derivative instrument at fair value through profit or loss only if all of the following conditions are satisfied:

- it meets the definition criteria of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and the associated risks are not considered as being closely related to those of the host contract;
- separate measurement of the embedded derivative is sufficiently reliable to provide relevant information.

As these are financial instruments under IFRS 9, only embedded derivatives relating to financial liabilities may be separated from the host contract to be recognized separately.

Realized and unrealized gains and losses are recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Hedge accounting

– Risks hedged

In its accounts, the group only recognizes interest rate risk through micro-hedging, or on a larger scale through macro-hedging.

Micro-hedging is the partial hedging of the risks incurred by an entity on its assets and liabilities. It specifically applies to one or more assets or liabilities for which the entity covers the risk of an unfavorable change in a type of risk, through derivatives.

Macro-hedging aims to cover all of the group's assets and liabilities against any unfavorable changes, particularly in interest rates.

The overall management of the interest rate risk is described in the management report, along with the management of all other risks (foreign exchange, credit, etc.) that may be hedged through the natural backing of assets to liabilities or the recognition of trading derivatives.

Micro-hedging is used in particular in the context of asset swaps. It generally aims to transform a fixed-rate instrument into a variable-rate instrument.

Three types of hedging relationship are possible. The choice of the hedging relationship depends on the nature of the risk being hedged:

- a fair value hedge hedges the exposure to changes in the fair value of financial assets or financial liabilities;

- a cash flow hedge is a hedge of the exposure to variability in cash flows relating to financial assets or financial liabilities, firm commitments or forward transactions;
- the hedging of net investments in foreign currencies is recognized in the same way as cash flow hedging. The group has not used this form of hedging.

Hedging derivatives must meet the criteria stipulated by IAS 39 to be designated as hedging instruments for accounting purposes. In particular:

- the hedging instrument and the hedged item must both qualify for hedge accounting;
- the relationship between the hedged item and the hedging instrument must be documented formally immediately upon inception of the hedging relationship. This documentation sets out the risk management objectives determined by management, the nature of the risk hedged, the underlying strategy, and the methods used to measure the effectiveness of the hedge;
- the effectiveness of the hedge must be demonstrated upon inception of the hedging relationship, subsequently throughout its life, and at the very least at each reporting date. The ratio of the change in value or gain/loss on the hedging instrument to that of the hedged item must be within a range of 80% to 125%.

Where applicable, hedge accounting is discontinued prospectively.

– Fair value hedge of identified financial assets or liabilities

In a fair value hedging relationship, derivatives are remeasured at fair value through profit or loss under "Net gains/(losses) on financial instruments at fair value through profit or loss" symmetrically with the revaluation of the hedged items to reflect the hedged risk. This rule also applies if the hedged item is recognized at amortized cost or is a debt instrument classified under "Financial assets at fair value through equity". Changes in the fair value of the hedging instrument and the hedged risk component offset each other partially or totally; only the ineffective portion of the hedge is recognized in profit or loss. It may be due to:

- the "counterparty risk" component integrated in the value of the derivatives;
- the different value curve between the hedged items and hedging instruments. Indeed, swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued with a BOR curve.

The portion corresponding to the rediscounting of the derivative financial instrument is recognized in the income statement under "Interest income/(expense)". The same treatment is applied to the interest income or expense relating to the hedged item.

If the hedging relationship is interrupted or the effectiveness criteria are not met, hedge accounting is discontinued on a prospective basis. The hedging derivatives are transferred to "Financial assets or financial liabilities at fair value through profit or loss" and are accounted for in accordance with the principles applicable to this category. The carrying amount of the hedged item is subsequently no longer adjusted to reflect changes in fair value. In the case of interest rate instruments initially identified as hedged, the remeasurement adjustment is amortized over their remaining life. If the hedged item has been derecognized in the balance sheet, in particular due to early repayment, the cumulative adjustments are recognized immediately in the income statement.

– Macro-hedging derivatives

The group has availed itself of the possibilities offered by the European Commission regarding the accounting for macro-hedging transactions. In fact, the changes made by the European Union to IAS 39 (carve-out) allow the inclusion of customer demand deposits in portfolios of hedged fixed-rate liabilities with no measurement of ineffectiveness in case of under-hedging. Demand deposits are included based on the run-off rules defined for asset-liability management purposes.

For each portfolio of financial assets or liabilities bearing a fixed rate, the effectiveness of the hedging relationship is verified through:

- an over-hedging test: the group ensures that, prospectively and retrospectively, the maturity schedule of the hedged items is greater than that of the hedging derivatives;
- a test of non-disappearance of the hedged item, which consists of ensuring that the maximum historically hedged position is lower than the nominal value of the hedged portfolio at the reporting date for each future maturity band and each rate generation;
- a quantitative test: a quantitative test intended to ensure retrospectively that changes in the fair value of the modeled synthetic instrument offset changes in the fair value of the hedging instruments.

The sources of ineffectiveness related to macro-hedging result from mismatches in the curves used to model the hedged portfolios and hedging derivatives, as well as possible mismatches in the interest payments of these items.

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

Changes in the fair value of the hedged portfolios are recorded in the balance sheet under "Revaluation adjustment on rate-hedged books", the counterpart being an income statement line item.

– Cash flow hedges

In the case of a cash flow hedging relationship, derivatives are remeasured at fair value in the balance sheet, with the effective portion recognized in equity. The portion considered as ineffective is recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Amounts recognized in equity are reclassified to profit or loss under "Interest income/(expense)" at the same time as the cash flows attributable to the hedged item affect profit or loss.

The hedged items continue to be accounted for in accordance with the rules specific to their accounting category. If the hedging relationship is terminated or no longer meets the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recorded in shareholders' equity for the remeasurement of the hedging derivative are maintained in shareholders' equity until such time as the hedged transaction itself impacts profit or loss or until the transaction is no longer expected to occur. At this point, said amounts are transferred to profit or loss.

If the hedged item no longer exists, the cumulative amounts recorded in equity are immediately transferred to profit or loss.

Benchmark rate reform

Within the framework of the IBOR reform, the group is easing its hedge accounting policies for changes related to the IBOR reform:

- before defining the substitution indices, maintain existing hedging relationships during this exceptional and temporary situation and until the uncertainty created by the reform of IBOR rates is resolved concerning the choice of a new index and the effective date of this change;
- after defining the substitution indices, in particular, update the description of the hedged risk and the documentation, without impacting the continuity of the hedging relationships. A temporary exception on the "separately identifiable" nature of a non-contractually specified hedged risk component. Such a risk component indexed to a replacement rate will be considered separately identifiable if it is reasonable for it to become identifiable within a period of 24 months after designation, in the context of the development of the replacement index markets.

2.1.6 Financial guarantees and financing commitments

Financial guarantees are treated like an insurance contract when they provide for specified payments to be made to reimburse the policyholder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 17, such financial guarantees continue to be measured using French accounting standards, *i.e.* they are treated as off-balance sheet items, until such time as the current standards are revised. Accordingly, they are subject to a provision for liabilities if an outflow of resources is likely.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating, index, etc.) or a non-financial variable (provided that this variable is not specific to one of the parties to the agreement) fall within the scope of IFRS 9. These guarantees are thus treated as derivatives.

Financing commitments that are not considered as derivatives within the meaning of IFRS 9 are not shown on the balance sheet. However, they give rise to provisions in accordance with the requirements of IFRS 9.

2.1.7 Derecognition of financial assets and liabilities

The group partly or fully "derecognizes" a financial asset (or a group of similar assets) when the contractual rights to the asset's cash flows expire, or when the group has transferred the contractual rights to the financial asset's cash flows, as well as most of the risks and advantages linked with ownership of the asset.

Upon "derecognition" of:

- a financial asset or liability at amortized cost or at fair value through profit or loss: a gain or loss on disposal is recognized in the income statement in an amount equal to the difference between the carrying amount of the asset or liability and the amount of the consideration received/paid;
- a debt instrument at fair value through equity: the unrealized gains or losses previously recognized under equity are taken to the income statement, as well as any capital gains/losses on disposal;
- an equity instrument at fair value through equity: the unrealized gains or losses previously recognized under equity, as well as any capital gains/losses on disposal are recognized in consolidated reserves without going through the income statement.

The group "derecognizes" a financial liability when the contractual obligation is extinguished, is canceled or expires. A financial liability may also be "derecognized" in the event of a material change in its contractual terms and conditions, or an exchange with the lender for an instrument whose contractual terms and conditions are substantially different.

2.1.8 Measurement of credit risk

The impairment model of IFRS 9 is based on an "expected loss" approach, whereas that of IAS 39 was based on an incurred credit loss model, implying that credit losses were recognized too late and too little at the time of the financial crisis.

Under this IFRS 9 model, financial assets for which no objective evidence of impairment exists on an individual basis are impaired on the basis of observed losses as well as reasonable and justifiable future cash flow forecasts.

The IFRS 9 impairment model thus applies to all debt instruments measured at amortized cost or at fair value through equity, as well as to financing commitments and financial guarantees. These are divided into three categories:

- stage 1 – non-downgraded performing loans: provisioning on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) from the initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2 – downgraded performing loans: provisioning on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3 – non-performing loans: category comprising the financial assets for which there is objective evidence of impairment related to an event that has occurred since the loan was granted.

For stages 1 and 2, the basis of calculation of interest income is the gross value of the asset before impairment while, for stage 3, it is the net value after impairment.

2.1.8.1 Governance

The models for compartment allocation, forward-looking scenarios and parameter calculation methods constitute the methodological basis for impairment calculations. They are validated at the group's top level and are applicable to all entities according to the portfolios involved. The entire methodological basis and any subsequent modification in terms of method, weighting of the scenarios, parameter calculation or provision calculation must be validated by the Crédit Mutuel group's governance bodies.

These bodies consist of the supervisory and executive board as defined by Article 10 of the Order of November 3, 2014 relative to internal control. Given the specificities of the Crédit Mutuel group's decentralized organizational structure, the supervisory and management bodies are divided into two levels – the national level and the regional level.

The principle of subsidiarity, applied across the Crédit Mutuel group, governs the breakdown of roles between national and regional levels, both on a project basis and for the ongoing implementation of the asset impairment calculation methodology.

At the national level, the Basel III Working group approves the national procedures, models and methodologies to be applied by the regional groups. Any change in the calibration of the scenarios or parameters used in the IFRS 9 provisioning model is validated by this body.

At the regional level, regional groups are tasked with the calculation of the IFRS 9 provisions within their entities, under the responsibility and control of their respective executive and supervisory bodies.

2.1.8.2 Definition of the boundary between stages 1 and 2

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans:

- low default portfolios (LDPs), for which the rating model is based on an expert assessment: large corporates, banks, local governments, sovereigns, specialized financing. These portfolios are composed of products such as operating loans, short-term operating loans, current accounts, etc.;
- high default portfolios (HDPs) for which the default data is sufficient to establish a statistical rating model: mass corporate and retail. These portfolios include products such as home loans, consumer credit, revolving loans, current accounts, etc.

A significant increase in credit risk, which entails transferring a loan out of stage 1 into stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, where the counterparty rating system is common to the entire group. All of the group's counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis. Unlike stage 3, transferring a customer's contract into stage 2 does not entail transferring all of the customer's outstanding loans or those of related parties (absence of contagion).

It should be noted that the group immediately puts into stage 1 any performing exposure that no longer meets the criteria for stage 2 classification (both qualitative and quantitative).

The group has demonstrated that a significant correlation exists between the probabilities of default at 12 months and at termination, which allows it to use 12-month credit risk as a reasonable approximation of the change in risk since initial recognition, as the standard permits.

Quantitative criteria

For LDP portfolios, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the lower the group's relative tolerance for a significant deterioration in risk.

For HDPs, at December 31, 2023, the criteria for assessing the significant increase in credit risk have changed in accordance with the recommendations issued by the European Banking Authority and the European Central Bank.

In accordance with these new criteria, the group has opted for the operational simplification proposed by the standard, which allows low-risk loans at the closing date to be maintained in stage 1 as long as the following three conditions are met:

- the financial asset presents a low default risk;
- the borrower demonstrates a solid ability to meet its short-term contractual cash flow obligations;
- the borrower's ability to meet its short-term contractual obligations is not necessarily impaired by unfavorable changes in longer-term economic and business conditions.

Credit risk is considered to have increased significantly if he probability of default on the instrument has increased by a factor of at least three since origination.

Lastly, the frontier curve formula, which relates the probability of default at inception to the probability of default at the closing date, has been revised to better reflect the prospective dimension within HDPs.

Qualitative criteria

To this quantitative data the group adds qualitative criteria such as installments unpaid or late by more than 30 days, the fact that a loan has been restructured, etc.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

2.1.8.3 Stages 1 and 2 – Calculating expected credit losses

Expected credit losses are measured by multiplying the current outstanding balance discounted by the contract rate by its probability of default (PD) and by the loss given default (LGD). The off-balance-sheet exposure is converted into a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for stage 1, while the probability of default at termination (one-to-ten year curve) is used for stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a stage and for calculating expected losses.

Probability of default

This is based:

- for high default portfolios, on the models approved under the IRB-A approach;
- for low default portfolios, on an external probability of default scale based;

on a history dating back to 1981.

Loss given default

This is based:

- for high default portfolios, on the collection flows observed over a long period of time, discounted at the interest rates of the contracts, segmented according to types of products and types of guarantees;
- for low default portfolios, on fixed ratios (60% for sovereign and 40% for the rest).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes in the economy and relating these anticipated changes to the risk parameters. This forward-looking dimension is determined at group level and is taken into account by modeling default probabilities and by deforming internal rating migration matrices (or risk parameters).

For high-default portfolios, the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, central or pessimistic), which will be weighted based on the group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD.

These scenarios are drawn up by the group's economists, taking into account macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) published by institutions (IMF, World Bank, ECB, OECD).

The weighting to be attributed to the scenario used to calculate expected credit losses is set at a minimum of 50% for the central scenario, and the weighting of the two alternative scenarios is defined according to the economic cycle anticipated by the group's economists. The weightings are updated at least every six months.

However, the forward-looking approach embedded in the expected credit loss model could be adjusted to incorporate elements that would not have been captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters unprecedented in the historical record and whose impact can be measured by making certain assumptions.

Post-model adjustments can be considered to reflect the consequences of climatic events on expected losses or the outlook for deterioration in certain economic sectors.

For low default portfolios, forward-looking information is incorporated into the large corporate/bank models, but not into the local government, sovereign and specialized financing models.

The effects of these adjustments are described above in the paragraph on credit risk.

2.1.8.4 Stage 3 – Non-performing loans

An impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans have been made that might generate a loss. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

The Crédit Mutuel group applies the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds, the main elements of which are as follows:

- default analysis is now performed on a daily basis at the creditor level and no longer at the contract level;
- the number of days of late installments is appraised for each borrower (obligor) or group of borrowers (joint obligors) in the case of a joint commitment;
- the default is triggered when 90 consecutive days of arrears are recorded by a borrower/group of borrowers. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 Retail, €500 Corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The countdown is reset when this is no longer the case for one of the two thresholds;
- the default contagion scope extends to all receivables of the borrower, and all individual commitments of borrowers participating in a joint credit obligation;
- there is a minimum three-month probationary period before non-restructured assets can return to healthy status.

The Banque Fédérative du Crédit Mutuel group has rolled out the new definition of default on IRB entities using the EBA's two-step approach:

- step 1 – This consists of presenting a self-assessment and an authorization request to the supervisor. Authorization for use was obtained by the group in October 2019;
- step 2 – This consists of implementing the new definition of default and then adjusting the models if necessary after an observation period of 12 months for new defaults.

The group believes that this new definition of default, as required by the EBA, is representative of objective proof of impairment in an accounting sense of the word. The group has aligned its definitions of accounting (Stage 3) and prudential default. This change constitutes a change in estimate, the non-material impact of which is recognized in the income statement in the year of the change.

2.1.8.5 Initially impaired financial assets

These are contracts for which the counterparty is non-performing on the date of initial recognition or acquisition. If the borrower is non-performing at the reporting date, the contracts are classified into stage 3; otherwise, they are classified as performing loans, identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in stage 2, *i.e.* an expected loss over the residual maturity of the contract.

2.1.8.6 Accounting

Impairment charges and provisions are recorded in "Cost of counterparty risk". Reversals of impairment charges and provisions are recorded in "Cost of counterparty risk" for the portion related to the change in risk and in "net interest margin" for the portion related to the passage of time. For loans and receivables, impairment is deducted from assets, and for financing and guarantee commitments, the provision is recorded in liabilities under "Provisions" (see 2.1.6 "Financial guarantees and financing commitments" and 2.3.2 "Provisions"). For assets at fair value through equity, the impairment recognized in the cost of risk is offset under "Unrealized or deferred gains and losses".

Loan losses are written off and the related impairments and provisions are reversed.

2.1.9 Determination of fair value of financial instruments

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

The fair value of an instrument upon initial recognition is generally its transaction price.

The fair value must be calculated for subsequent measurements. The calculation method to be applied varies depending on whether the instrument is traded on a market deemed to be active or not.

2.1.9.1 Instruments traded on an active market

When financial instruments are traded in an active market, fair value is determined by reference to their quoted price as this represents the best possible estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available (from a stock exchange, dealer, broker or pricing service) and those prices represent actual market transactions regularly occurring on an arm's length basis.

2.1.9.2 Instruments traded on a non-active market

Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In other cases, the group uses non-observable data (mark-to-model).

When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, as well as liquidity risks associated with the instrument or parameter in question, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

In all cases, adjustments are made by the group in a reasonable and appropriate manner, based on judgment.

2.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- level 1: prices quoted in active markets for identical assets or liabilities; This includes debt securities listed by at least three contributors and derivatives listed on an organized market;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (*i.e.* prices) or indirectly (*i.e.* data derived from prices). Included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based on market interest rates observed at the reporting date;
- level 3: data relating to the asset or liability that are not observable market data (non-observable data). The main constituents of this category are investments in non-consolidated companies held in venture capital entities or otherwise and, in the Capital Markets, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters. The instrument is classified at the same hierarchical level as the lowest level of the input having an important bearing on fair value considered as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to a change in the parameters would be immaterial.

2.2 Insurance activities

2.2.1 Financial investments of insurance activities

Financial investments of insurance activities are valued in accordance with IFRS 9. For more details, see Section 2.1

2.2.2 Insurance contracts and reinsurance contracts

IFRS 17 sets out new rules for the recognition, measurement and presentation of insurance contracts falling within its scope:

- valuation of insurance contracts on the balance sheet: their value is updated on each closing date, based on a re-estimate of future cash flows related to their execution. This re-estimate takes into account market data for financial information, and policyholder behavior;
- recognition of the margin: although the profitability of insurance contracts remains unchanged, the recognition of their margin in profit or loss is modified to be spread over the duration of the insurance service; and
- presentation of the income statement: general operating expenses attributable to the execution of insurance contracts are now presented as a reduction of net revenue under insurance services expenses and therefore no longer affect the total amount of general operating expenses in the consolidated income statement.

The group has adopted the Year To Date (YTD) approach for assessing the various components of accounting models under IFRS 17.

This choice of accounting method is applied to all insurance contracts issued and reinsurance contracts held, and involves disregarding estimates previously made in its interim financial statements.

Scope of application

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued and held, and discretionary participation investment contracts issued. The definition of an insurance contract is unchanged from IFRS 4, with the exception of the assessment of the insurer's risk of loss, which must be based on a present value.

Grouping of contracts

The standard requires the identification of portfolios of insurance contracts, *i.e.* contracts subject to similar risks and managed together.

Each portfolio of insurance contracts issued is then divided into three profitability levels:

- onerous contracts upon initial recognition;
- contracts which, at the time of initial recognition, have no significant possibility of becoming loss-making;
- the other contracts in the portfolio.

The profitability level of a contract group must be uniform across all the contracts included in the group.

In addition, IFRS 17, as published by the IASB, introduces the principle of annual cohorts, prohibiting contracts issued more than one year apart from each other from being included in the same group.

Nevertheless, the standard as adopted by the European Union provides for an optional exception from the application of this rule for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect, or are affected by, cash flows to policyholders of other contracts.

GACM applies this European exception to eligible groups of contracts.

The different levels of aggregation used by GACM are as follows:

Definition of contract portfolios

General model and simplified model contracts are grouped by homogeneous product families, without distinction by guarantee or by legal entity within the same geographic area. VFA contracts are grouped according to the asset portfolio to which they relate.

Profitability signature and definition of contract groups

Given GACM's approach to contract portfolios, it is clear that contract portfolios present a homogeneous level of profitability by underwriting generation. Consequently, a portfolio of contracts valued according to the general model or the simplified model will be subdivided into a single group per underwriting year.

For VFA contracts, the contract group corresponds to the contract portfolio, in line with the European exception.

The IFRS 17 contract aggregation level defines the contract aggregation level to be used for measuring insurance contract liabilities and profitability.

Valuation models

General valuation model for insurance contracts (Building Block approach)

Contracts should be valued by default according to a general measurement model as the sum of the following elements:

- fulfillment cash flows:
  - estimates of future cash flows (premiums, benefits, directly attributable costs) weighted by their probability of occurrence,
  - an adjustment to reflect the time value of money (*i.e.* discounting these future cash flows),
  - an adjustment for non-financial risks;
- the contractual service margin (or CSM).

The contractual service margin represents the unearned profit for a group of insurance contracts, *i.e.* the present value of future profits. It is amortized in income from insurance contracts over the coverage period of the contracts, as the insurance entity provides services to policyholders according to the coverage units.

In view of the diversity of insurance contracts, the determination of coverage units requires judgment in considering both the level of coverage defined in the contract (for example, the capital in the event of death for a loan contract) and the expected duration of the contract.

The CSM of a group of contracts cannot be negative; any negative amount of fulfillment cash flows at the start or during the contract is immediately recognized in income.

Discount rate

IFRS 17 requires the use of discount rate curves reflecting the time value of money, cash flow, as well as the liquidity characteristics of insurance contracts. To determine the discount rate, the group applies the bottom-up approach. This methodology consists of adding a liquid risk-free component, based on rate swaps, and an adjustment to take into account the liquidity characteristics of insurance contracts.

The group uses the EIOPA yield curve and retains the principles relating to the extrapolation of the risk-free yield curve as part of the revision of the Solvency II directive (general approach of the Council of the European Union) because the latter provide greater coherence and consistency in terms of the financial markets.

Adjustment for non-financial risk and confidence level

The adjustment for non-financial risk must reflect the compensation required by the group to support the uncertainty surrounding the amount and timing of cash flows that is generated by the non-financial risk when the group executes insurance contracts.

It was decided to calculate the risk adjustment with a quantile approach using Value at Risk ("VaR") for all risks. The group considers that a quantile of 80% represents an adequate level of prudence for the underlying technical reserves.

This general model will apply by default to all insurance contracts.

The carrying amount of a group of insurance contracts is remeasured at the end of each subsequent period. It is then equal to the sum of the following two amounts:

- the liability for remaining coverage, which includes the value of the re-estimated execution flows at that date (present value of premiums to be received and future benefit expenses over the remaining coverage period) and the adjusted contractual service margin on the same date as described above;
- the liability for incurred claims, for an amount equal to the present value of the estimated cash flows required to settle valid requests on claims that have already occurred.

On this same reporting date, the amount of the contractual service margin is updated to take into account, notably:

- the effect of new contracts added to the group of contracts;
- interest capitalized at the discount rate used to determine the initial value of the margin;
- the re-estimation of fulfillment cash flows resulting from changes in technical assumptions (present value of premiums to be received and future benefit expenses over the remaining coverage period, excluding estimates of expenses to be paid on claims already incurred that are subject to a separate assessment).

However, if the negative amount related to the discounted future cash flow changes is greater than the amount of the remaining margin, then the negative surplus is immediately recognized in profit or loss. The margin is also capitalized according to the fixed rate at the start of the contract.

The effect of unwinding the discount on the liability related to the passage of time is recorded in "Financial income or financial expenses from insurance contracts issued" as well as that related to the change in the discount rate. However, the latter may optionally be recognized in shareholders' equity.

The group applies the option to neutralize the effects of discount rates in shareholders' equity for the portfolios of insurance contracts valued under the general model.

The group applies the General Measurement Model to long-term personal insurance and protection insurance contracts (in particular real estate borrower contracts, funeral contracts and long-term care contracts).

The coverage units used are calibrated according to the amount insured, therefore without reference to the cost to the insurer.

Variable fee model (Variable fee approach)

IFRS 17 provides for an adaptation of the general model for direct participating contracts. This adapted model, known as the "Variable fee approach", makes it possible to reflect, in the valuation of insurance liabilities, the obligation to pay policyholders a substantial portion of the return on underlying assets net of contract expenses (as the changes in the value of the underlying assets attributable to policyholders are neutralized in the contractual service margin).

Insurance contracts with direct participation features are insurance contracts which, in substance, constitute contracts for investment-related services, where the entity promises a return based on underlying items. They are therefore defined as insurance contracts in which:

- the contractual terms specify that the policyholder is entitled to a share in a clearly defined portfolio of underlying items;
- the entity expects to pay the policyholder an amount corresponding to a substantial portion of the return obtained on the fair value of the underlying items;
- the entity expects any change in the amounts payable to the policyholder to be substantially attributable to changes in the fair value of the underlying items.

Eligibility for VFA is assessed on the basis of these criteria at the inception of the contract, and is not reviewed thereafter, except in the event of substantial modification to the contract.

The main adaptations as compared to the General Model relate to:

- the insurer's share of the change in the fair value of the underlying investments. At each reporting date, it is included in the contractual service margin in order to be recognized in income over the expected remaining coverage period of the contracts.
- interest on the contractual service margin, the changes of which are implicitly included in the periodic revision of the contractual service margin.

The income from these contracts is therefore mainly represented by the relaxation of execution flows and the amortization of the contractual service margin. When the underlying items perfectly back the liabilities and are measured at fair value through profit or loss, the financial income of these contracts is zero. In the event of an accounting mismatch between the underlying assets and the insurance liabilities, the option of classifying in shareholders' equity the effect of changes in liabilities related to these assets is applicable.

The group applies the VFA model to all of the group's Life products (both general fund contracts and unit-linked contracts). The model used is the portfolio of assets underlying the contracts in question.

The coverage units used are the mathematical reserves of the contracts. On the basis of this driver, the group had to apply a correction coefficient to amortize the CSM in income and neutralize the bias induced by the bow wave effect associated with the stochastic modeling in a risk neutral environment. After applying the adjusted coverage unit, the amount of CSM, which is amortized in the income statement each period, takes into account the "real world" environment, and reflects the service provided to policyholders over the period in question.

Simplified approach (Premium allocation approach)

The standard also allows, subject to conditions, the application of a simplified approach known as the Premium allocation approach to contracts with a duration less than or equal to 12 months or if the application of the simplified approach gives a result close to the General Model.

For profitable contracts, the liability related to the remaining coverage is valued on the basis of the deferral of premiums collected using a logic similar to that used under IFRS 4. Onerous contracts and incurred claims liabilities are valued according to the general model. Liabilities for incurred claims are discounted if the expected settlement of claims takes place after one year from knowledge of the occurrence. In this case, the option of classifying the effect of changes in the discount rate in shareholders' equity is also applicable.

At each reporting date, the adjustment of liabilities in respect of the remaining coverage and incurred claims is recorded in the income statement.

The group applies the simplified approach to all property and casualty insurance products, and to a lesser extent to certain individual and collective Health and Protection products.

Main standard-setting options adopted by the group

– *Coverage unit for groups of insurance contracts*

IFRS 17 defines the notion of coverage unit as a unit representing the "quantity of benefits [...] provided by the contracts". It specifies that "quantity of benefits" covers two aspects: the "quantity of benefits provided" and the "expected coverage period".

For each contract group, the group has determined a coverage unit to spread the contract service margin (CSM) over the various expected coverage periods, reflecting the quantity of benefits provided over these different periods.

For life and savings contracts, the coverage unit used to amortize the CSM corresponds to the mathematical reserve associated with each contract, adjusted for the impact of the actual return on the underlying investments compared to the risk-neutral actuarial projection.

For borrower protection policies valued according to the general model, the coverage unit used to amortize the CSM corresponds to the sum insured.

Effect of rates neutralized in OCI

Financial income or expense on insurance contracts in force will be presented separately between the income statement and shareholders' equity for those portfolios for which this breakdown is considered relevant, as permitted by the standard.

The group applies the option of neutralizing the effects of discount rates in shareholders' equity for personal protection contracts (borrower insurance, funeral insurance, long-term care insurance, etc.) and liabilities for claims arising from property-casualty contracts (personal accident insurance, means of payment, multi-risk property insurance, etc.).

Processing of internal costs

As a banking and insurance conglomerate, the group distributes savings and protection products (borrower insurance, car insurance, home insurance, etc.) and provides the management resources necessary for the operations of its insurance subsidiaries.

The services provided by the banking networks (business contributions, administrative management of contracts, provision of staff or assets, etc.) are compensated by margin commissions based on agreements between the distributing credit institutions and the insurance subsidiaries.

The new model for measuring insurance contracts under IFRS 17 requires a projection in the contract execution cash flows of the acquisition and management costs that will be paid in the future and a presentation in the income statement of, on the one hand, the release of estimated costs for the period and, on the other hand, of the actual costs incurred by the banking dealer networks.

Pursuant to the recommendations of the ESMA (32-63-1320) and the AMF (DOC-2022-06), the group adjusts the internal margin on the balance sheet and the income statement in order to reflect the valuation of insurance contracts, according to IFRS 17, at the level of the Crédit Mutuel group.

Presentation in the balance sheet and income statement

Insurance contracts issued and reinsurance contracts held are presented in the balance sheet as assets or liabilities depending on the overall position of the portfolios to which they belong (including debts and receivables attributable to the valuation of the contract);

The various income and expense items from insurance and reinsurance contracts are broken down in the consolidated income statement under net revenue, in:

- insurance service result:
  - income from insurance and reinsurance contracts issued,
  - service charges related to insurance and reinsurance contracts issued, and
  - income and expenses related to reinsurance contracts held;
- insurance service financial result:
  - financial income and expenses from insurance and reinsurance contracts issued, and
  - financial income and expenses from reinsurance contracts held.

The income from insurance contracts shows the relaxation of execution flows for the amount expected over the period (excluding investment components), changes in the risk adjustment, the amortization of the contractual service margin in respect of services rendered, the amount allocated to the amortization of acquisition costs, and experience differences on premiums;

Service expenses relating to insurance and reinsurance contracts issued, as well as expenses relating to reinsurance contracts held, then include the share of general operating expenses and commissions directly attributable to the execution of contracts, which will thus be recognized as a deduction of net revenue. They also include the initial loss component and its amortization in the case of a portfolio of onerous contracts.

Retirement Savings insurance contracts include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually obliged to reimburse even if the insured event does not occur. The premiums and repayments of these deposits do not constitute income or expenses relating to these contracts.

Financial income and expenses from insurance and reinsurance contracts mainly include changes in the value of groups of contracts related to the effects of the time value of money and financial risks not included in the estimated cash flows.

Financial income or financial expenses from insurance contracts issued will be presented separately in the income statement and in shareholders' equity for the portfolios concerned.

Valuation of reinsurance treaties

Reinsurance held is treated in the same way as insurance contracts issued, either under the general model or the simplified model. The contractual service margin representing the expected gain or loss on reinsurance is negative, and contract performance flows include the reinsurer's risk of non-performance.

2.3 Non-financial instruments

2.3.1 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease granted by the group is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Ownership may or may not eventually be transferred.

An operating lease granted by the group represents any lease contract other than a finance lease.

2.3.1.1 Finance lease transactions – Lessor

In accordance with IFRS 16, finance lease transactions with non-group companies are reported in the consolidated balance sheet at their financial accounting amount. Finance lease transactions transfer substantially all the risks and rewards incidental to ownership of the leased asset to lessees.

And so, the analysis of the economic substance of the transaction results in:

- the leased asset exiting the balance sheet;
- the recognition of a receivable in “Financial assets at amortized cost”, for a present value, at the implicit contract rates, of the rental payments to be received under the finance lease contract, increased by any residual value not guaranteed returning to the lessor;
- the recognition of deferred taxes for existing temporary differences throughout the life of the finance lease;
- the recognition as net interest margin, of net revenue from the lease, this being representative of the constant periodic rate of return on the amounts outstanding.

Credit risk related to financial receivables is measured and recognized under IFRS 9 (see Section 2.1.8 "Credit risk assessment”).

2.3.1.2 Finance lease transactions – Lessee

In accordance with IFRS 16, rights of use are capitalized under "Property, plant and equipment", with a corresponding lease liability recognized under "Accruals and miscellaneous liabilities". Rents paid are broken down between interest expenses and repayment of the principal amount of the debt.

2.3.2 Provisions

Provisions and reversals of provisions are classified by type under the corresponding item of income or expenditure.

A provision is recognized whenever it is probable that an outflow of resources representing economic benefits will be necessary to extinguish an obligation arising from a past event and when the amount of the obligation can be estimated accurately. Where applicable, the net present value of this obligation is calculated to determine the amount of the provision to be set aside.

The provisions constituted by the group cover, in particular:

- operational risks;
- social commitments;
- execution risk on signature commitments;
- litigation risk and guarantee commitments given;
- tax risks;
- risks related to mortgage saving agreements.

2.3.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under “Provisions”. The change is recognized in the income statement under “employee benefit expense” with the exception of the portion resulting from the remeasurement of net liabilities arising from defined benefit plans, recognized in shareholders’ equity.

2.3.3.1 Post-employment benefits under a defined benefit plan

These comprise the pension plans, early pension plans, and supplementary pension plans under which the group has a formal or implicit obligation to provide employees with predefined benefits.

These obligations are calculated using the projected unit credit method, which involves allocating entitlement to benefits to periods of service by applying the contractual formula for calculating plan benefits. Such entitlements are then discounted using demographic and financial assumptions such as:

- a discount rate, determined by reference to the long-term rate on private-sector borrowings consistent with the term of the commitments;
- the salary increase rate, assessed in accordance with age brackets and employee categories;
- inflation rates, estimated by comparing French treasury bond rates and inflation-linked French treasury bond rates at different maturities;
- staff turnover rates, determined by age bracket, using the three-year average for the ratio of resignations and dismissals relative to the year-end number of employees under permanent contracts;
- retirement age: estimated on a case-by-case basis using the actual or estimated date of commencement of full-time employment and the assumptions set out in the law reforming pensions, with a ceiling set at 67 years of age;
- mortality according to the INSEE TH/TF 00-02 table.

Differences arising from changes in these assumptions and from differences between previous assumptions and actual experience constitute actuarial gains or losses. When the plan has assets, they are measured at fair value and the interest income they generate has an impact on profit or loss. The difference between the actual return and the interest income generated by these assets is also an actuarial gain and loss.

Actuarial gains and losses are recognized in equity, as unrealized or deferred gains and losses. Curtailments and settlements of the plan produce a change in the commitment, which is recognized in the profit (loss) for the fiscal year.

In accordance with the IFRIC decision of April 20, 2021, the pension obligation under post-employment benefit plans, whose rights are capped on the basis of a number of years of service and subject to the presence of the employee on the date of retirement, is constituted solely over the period preceding the retirement age enabling the ceiling to be reached (or between the employee’s date of entry into the company and the date of retirement if this period is shorter than the ceiling).

Pension reform enacted on April 15, 2023

In France, the changes brought about by the pension reform constitute a change in the retirement benefits plan, the impact of which in terms of past service cost has been recognized in the income statement.

2.3.3.2 Post-employment benefits under a defined contribution plan

Group entities contribute to various retirement plans managed by independent organizations, to which they have no formal or implicit obligation to make supplementary payments in the event, particularly, that the fund’s assets are insufficient to meet its commitments.

Since such plans do not represent a commitment for the group, they are not subject to a provision. The charges are recognized in the period in which the contribution is due.

2.3.3.3 Other long-term benefits

These represent benefits other than post-employment benefits and termination benefits expected to be paid more than 12 months after the end of the fiscal year in which the staff rendered the corresponding service, for example, long-service awards.

The group's commitment in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial gains and losses are recognized immediately in profit or loss.

Commitments in respect of long-service awards are sometimes covered by insurance contracts. Only the unhedged portion of this commitment is subject to a provision.

2.3.3.4 Termination benefits

These are benefits granted by the group when an employment contract is terminated before the usual retirement age or following the employee's decision to leave the group voluntarily in exchange for an indemnity.

The related provisions are discounted if payment is expected to take place more than 12 months after the reporting date.

2.3.3.5 Short-term benefits

These are benefits, other than termination benefits, payable within 12 months following the reporting date. They include salaries, social security contributions and certain bonuses.

A charge is recognized in respect of short-term benefits in the period in which the services giving rise to the entitlement to the benefit are provided to the entity.

2.3.4 Non-current assets

2.3.4.1 Non-current assets of which the group is owner

Non-current assets reported on the balance sheet include property, plant and equipment and intangible assets used in operations, as well as investment property. Operating assets are used for the production of services or for administrative purposes. Investment property consists of real estate assets held to generate rental income and/or capital gains. The historical cost method is used to recognize both operating and investment properties.

Non-current assets are initially recognized at acquisition cost plus any directly attributable costs necessary to make them operational and usable. They are subsequently measured at amortized historical cost, *i.e.* their cost less accumulated depreciation and any impairment.

When a non-current asset comprises several components likely to be replaced at regular intervals, with different uses or providing economic benefits over differing lengths of time, each component is recognized separately from the outset and is depreciated or amortized in accordance with its own depreciation schedule. The component approach was retained for operating buildings and investment properties.

The depreciable or amortizable amount of a non-current asset is determined after deducting its residual value, net of disposal costs. As the useful life of non-current assets is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Intangible assets with an indefinite useful life are not amortized.

Depreciation and amortization charges on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Depreciation charges on investment property are recognized under "Expenses on other activities" in the income statement.

The following depreciation and amortization periods are used:

Property, plant and equipment:

- land and network improvements: 15-30 years;
- buildings – shell: 20-80 years (depending on the type of building);
- buildings – equipment: 10-40 years;
- fixtures and fittings: 5-15 years;
- office furniture and equipment: 5-10 years;
- safety equipment: 3-10 years;
- rolling stock: 3-5 years;
- IT equipment: 3-5 years.

Intangible assets:

- software purchased or developed in-house: 1-10 years;
- business goodwill acquired: 9-10 years (if customer contract portfolio acquired).

Depreciable amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-amortizable intangible assets such as lease rights are tested for impairment at least once a year.

If an indication of impairment exists, the recoverable amount of the asset is compared to its net carrying amount. In the event of loss of value, a write-down is recognized on the income statement; it changes the depreciable or amortizing amount of the asset prospectively. The write-down is repaid in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. The net carrying amount following the reversal of an impairment provision cannot exceed the net carrying amount that would have been calculated if no impairment had been recognized.

Impairment charges and reversals on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Impairment charges and reversals on investment property are recognized in the income statement under "Expenses on other activities" and "Income from other activities", respectively.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains/(losses) on other assets".

Gains and losses on the disposal of investment property are recorded in the income statement on the line "Income from other activities" or "Expenses on other activities."

2.3.4.2 Non-current assets of which the group is lessee

For a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

In respect of the lessee, operating leases and finance leases will be recorded in a single model, with recognition of:

- an asset representing the right to use the leased property during the lease term;
- offset by a liability in respect of the lease payment obligation;
- straight-line depreciation of the asset and an interest expense in the income statement using the diminishing balance method.

The group mainly activates its real estate contracts. The motor fleet was only restated where it was locally significant and computer and safety equipment were not included due to the fact that they are replaceable, in accordance with the standard. Only a limited number of IT contracts, deemed to be significant, were deemed to be activated.

Other underlying assets were precluded through short-term or low value exemptions (set at €5,000). The group has no leases that give rise to recognition of intangible assets or investment properties.

Therefore, usage rights are recorded under “Property, plant and equipment”, and lease obligations under “Other liabilities”. Leasehold rights are reclassified as property, plant and equipment when they concern contracts that are not automatically renewable. Rights of use and lease obligations are the subject of deferred tax assets or liabilities for the net amount of taxable and deductible temporary differences.

In the income statement, interest charges appear in “Net interest margin” while depreciation/amortization is presented under the heading dedicated to general operating expenses.

For calculating the lease obligation, we use:

- the lease term. This represents at least the non-cancellable period of the contract and may be extended to take into account any renewal/extension option that the group is reasonably certain to exercise. With regard to the operational implementation of the group’s methodology, any new 3/6/9 commercial lease will be activated for a period of nine years by default (or for a period equal to its non-cancellable period in the case of another type of lease). The term of any automatically extended contract will be extended to the end of the medium-term plan, which is a reasonable time frame for the continuation of the contract [1]. For the 3/6/9 leases in exception, the contract will be activated for a period of 12 years, as the group has no economic incentive to remain beyond this period, given the de-capping of leases after this period.
- the discount rate is the marginal rate of indebtedness corresponding to the chosen duration. It is a rate that is depreciable by the group’s refinancing headquarters and by currency;
- the lease payment, excluding taxes. The group is marginally affected by variable lease payments.

2.3.5 Commissions

Fees and commissions in respect of services are recorded as income and expenses according to the nature of the services involved. Thus, commissions considered as additional interest are an integral part of the effective interest rate. These commissions are therefore recognized as interest income and expenses.

Fees and commissions linked directly to the grant of a loan are spread using the effective interest method.

Fees and commissions remunerating a service provided on a continuous basis are recognized over the period during which the service is provided.

Fees for one-off services are recognized in the income statement in full when the service is performed.

2.3.6 Income tax expense

The income tax expense includes all tax, both current and deferred, payable in respect of the income for the period under review.

The income tax payable is determined in accordance with applicable tax regulations.

The Territorial Economic Contribution (*Contribution économique territoriale* – CET), which is composed of the Business Real Estate Contribution (*Cotisation foncière des entreprises* – CFE) and the Business Contribution on Added Value (*Cotisation sur la valeur ajoutée des entreprises* – CVAE), is treated as an operating expense and, accordingly, the group does not recognize any deferred taxes in the consolidated financial statements.

2.3.6.1 Deferred tax

As required by IAS 12, deferred taxes are recognized in respect of temporary differences between the carrying amount of an asset or liability on the consolidated balance sheet and its taxable value, with the exception of goodwill.

Deferred taxes are calculated using the liability method, applying the income tax rate known at the end of the fiscal year and applicable to subsequent years.

Deferred tax assets net of deferred tax liabilities are recognized only when there is a high probability that they will be utilized. Current or deferred tax is recognized as income or an expense, except for that relating to unrealized or deferred gains and losses recognized in equity, for which the deferred tax is allocated directly to equity.

Deferred tax assets and liabilities are netted if they arise in the same entity or in the same tax group, are subject to the same tax authority and when there is a legal right to do so.

Deferred tax is not discounted.

2.3.6.2 Uncertainties over income tax treatment

In accordance with IFRIC 23, the group is assessing the probability of the tax authority accepting the tax position taken. It is assessing the likely effects on the result for tax purposes, tax bases, tax loss carryforwards, unused tax credits and rates of taxation.

In the event of an uncertain tax position, the amounts payable are estimated on the basis of the most likely amount or the expected amount according to the method that reflects the best estimate of the amount to be paid or received.

(1) Regional groups that directly manage the leases.

2.3.7 Interest paid by the State on certain loans

Pursuant to measures to support the agricultural and rural sector, as well as the purchase of housing, some group entities grant loans at reduced rates, which are set by the State. Consequently, these entities receive a subsidy from the government equal to the interest rate differential existing between the rate granted to customers and a predefined benchmark rate. As a result, no discounting occurs on loans that benefit from these grants.

The arrangements governing this offset mechanism are periodically reviewed by the State.

The government subsidies received are recognized under "Interest and similar income" and allocated over the life of the corresponding loans, in accordance with IAS 20.

2.3.8 Non-current assets held for sale and discontinued operations

Non-current assets, or groups of assets, are classified as held for sale if they are available for sale and there is a high probability that their sale will take place within the next 12 months.

The related assets and liabilities are shown separately in the balance sheet, on the lines "Non-current assets held for sale" and "Debt related to non-current assets held for sale". They are recognized at the lower of their carrying amount and their fair value less selling costs, and are no longer depreciated or amortized.

Any impairment loss on such assets and liabilities is recognized in the income statement.

Discontinued operations consist of businesses held for sale or which have been discontinued, or subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax net gains and losses on discontinued operations".

2.4 Judgments and estimates used in the preparation of the financial statements

The preparation of the group's financial statements requires the formulation of assumptions in order to make the necessary assessments and involves risks and uncertainties concerning their realization in the future, particularly in the context of the Ukrainian conflict and the macroeconomic conditions existing at the reporting date.

The future outcome of such assumptions may be influenced by several factors, in particular:

- the activities of national and international markets;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- regulatory and legislative changes.

Accounting estimates requiring the formulation of assumptions are mainly used for the measurement of the following:

- the fair value of financial instruments not listed on an active market, the definition of a forced transaction and the definition of observable data require the exercise of judgment;
- insurance contracts, in particular with regard to future execution cash flows;
- pension plans and other future employee benefits;
- impairment of assets, including expected credit losses. To date, environmental risks are not captured in the group's expected credit loss impairment models;
- provisions, impairment of intangible assets and goodwill;
- deferred tax assets.

3. Related-party information

Parties related to the group are companies consolidated at the level of the Crédit Mutuel group as a whole, including the other establishments affiliated to the Confédération Nationale du Crédit Mutuel and equity consolidated companies.

Transactions carried out between the group and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of consolidated companies is presented in note 3. As transactions carried out and outstandings that exist at the end of the period between the group's consolidated companies are totally eliminated in consolidation, data pertaining to these reciprocal transactions is included in the attached tables only when concerning companies over which the group exercises joint control or significant influence, and is consolidated using the equity method.

4. Standards and interpretations adopted by the European Union and not yet applied

4.1 Standards and interpretations adopted by the European Union

Amendment to IFRS 16 on lease liabilities in a sale and leaseback transaction

It clarifies the subsequent treatment of the liability arising from such a transaction when the initial sale of the underlying asset meets the criteria of IFRS 15. The impact assessment related to this amendment is ongoing.

The group does not anticipate any material impact from this amendment, which will be mandatory for fiscal years beginning on or after January 1, 2024.

Note 2 Breakdown of the balance sheet and income statement by business line and geographic area

BFCM group's business lines are as follows:

- Retail banking includes:
  - **a)** banking network activities: CIC, BECM, Beobank and TARGOBANK regional banks in Spain,
  - **b)** consumer loan: TARGOBANK in Germany and Cofidis,
  - **c)** business line subsidiaries: specialized activities whose products are marketed by the network: equipment leasing and leasing with a purchase option, real estate leasing, factoring, real estate sales and management;
- Insurance activity is composed of Groupe des Assurances du Crédit Mutuel;
- The specialized business lines are comprised of:
  - **a)** Asset management and private banking activities in France and abroad,
  - **b)** Corporate banking: financing for large corporates and institutional customers, structured financing, international business and foreign branches,
  - **c)** Capital Markets, which includes commercial and investment activities (rates, equities and credit),
  - **d)** Private equity;
- the other business lines include items that cannot be assigned to another business activity, such as intermediate holding companies, non-controlling interests, operating real estate, logistics structures, press, IT entities and intercompany transactions.

The consolidated entities are fully allocated to their core business based on their contribution to the consolidated financial statements. Only two entities are an exception, CIC and BFCM because of their presence in several businesses. In this case, the contribution to the consolidated income statements and balance sheets of these two entities is broken down based on the different business sectors to which they contribute.

2a Breakdown of the balance sheet by business line

12/31/2023	Retail banking	Insurance	Specialized business lines	Other business lines	Total
ASSETS					
Cash and central banks	10,334	-	6,686	80,055	97,074
Financial assets at fair value through profit or loss	207	-	30,475	2,506	33,188
Hedging derivatives	23	-	867	1,434	2,325
Financial assets at amortized cost including:	306,955	-	55,304	40,794	403,052
■ *Loans and receivables due from credit institutions and similar at amortized cost*	*14,524*	-	*8,082*	*40,272*	*62,878*
■ *Loans and receivables due from customers at amortized cost*	*292,088*	-	*43,785*	*516*	*336,388*
■ *Securities at amortized cost*	*344*	-	*3,437*	*6*	*3,786*
Financial assets at fair value through equity	689	-	19,423	16,810	36,922
Financial investments of insurance activities	-	131,752	-	-	131,752
Investments in equity consolidated companies	7	-	-	858	865
LIABILITIES					
Central banks	-	-	31	-	31
Financial liabilities at fair value through profit or loss	-	-	17,329	610	17,939
Hedging derivatives – Liabilities	53	-	785	3,588	4,426
Due to credit institutions	-	-	59,280	-	59,280
Due to customers	244,232	-	41,338	13,732	299,302
Debt securities	23,341	-	29,627	97,308	150,276

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2023	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
ASSETS				
Cash and central banks	890	9,401	43	10,334
Financial assets at fair value through profit or loss	77	4	126	207
Hedging derivatives	23	-	-	23
Financial assets at amortized cost including:	225,436	39,689	41,830	306,955
■ *Loans and receivables due from credit institutions and similar at amortized cost*	*14,070*	*191*	*262*	*14,524*
■ *Loans and receivables due from customers at amortized cost*	*211,322*	*39,197*	*41,568*	*292,088*
■ *Securities at amortized cost*	*43*	*300*	-	*344*
Financial assets at fair value through equity	568	121	1	689
Investments in equity consolidated companies	7	-	-	7
LIABILITIES				
Hedging derivatives – Liabilities	53	-	-	53
Due to credit institutions	-	-	-	0
Due to customers	200,565	30,271	13,396	244,232
Debt securities	23,340	-	1	23,341

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2023	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
ASSETS					
Cash and central banks	4,812	1,874	-	-	6,686
Financial assets at fair value through profit or loss	164	2,667	23,300	4,343	30,475
Hedging derivatives	78	69	720	-	867
Financial assets at amortized cost including:	22,249	28,281	4,723	51	55,304
■ *Loans and receivables due from credit institutions and similar at amortized cost*	939	3,921	3,193	29	8,082
■ *Loans and receivables due from customers at amortized cost*	19,509	22,777	1,498	1	43,785
■ *Securities at amortized cost*	1,800	1,583	32	22	3,437
Financial assets at fair value through equity	102	11,040	8,281	-	19,423
LIABILITIES					
Central banks	28	3	-	-	31
Financial liabilities at fair value through profit or loss	93	328	16,908	-	17,329
Hedging derivatives – Liabilities	14	12	759	-	785
Due to credit institutions	-	59,280	-	-	59,279
Due to customers	26,901	12,786	1,651	-	41,338
Debt securities	35	18,358	11,234	-	29,627

12/31/2022 restated	Retail banking	Insurance	Specialized business lines	Other business lines	Total
ASSETS					
Cash and central banks	5,596	-	11,242	94,616	111,454
Financial assets at fair value through profit or loss	197	-	26,550	1,853	28,599
Hedging derivatives	55	-	1,619	2,580	4,253
Financial assets at amortized cost including:	293,000	-	50,421	40,221	383,643
■ *Loans and receivables due from credit institutions and similar at amortized cost*	*12,123*	-	*6,101*	*39,745*	*57,969*
■ *Loans and receivables due from customers at amortized cost*	*280,529*	-	*41,278*	*472*	*322,279*
■ *Securities at amortized cost*	*349*	-	*3,042*	*6*	*3,397*
Financial assets at fair value through equity	660	-	17,630	16,037	34,327
Financial investments of insurance activities		122,842	-	-	122,842
Investments in equity consolidated companies	7	-	-	814	821
LIABILITIES					
Central banks	-	-	43	-	43
Financial liabilities at fair value through profit or loss	-	-	18,443	329	18,772
Hedging derivatives – Liabilities	3	-	1,097	5,626	6,725
Due to credit institutions	-	-	81,256	-	81,256
Due to customers	225,836	-	44,099	13,748	283,682
Debt securities	22,924	-	22,724	88,912	134,560

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2022 restated	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
ASSETS				
Cash and central banks	1,040	4,524	32	5,596
Financial assets at fair value through profit or loss	77	3	116	197
Hedging derivatives	55	-	-	55
Financial assets at amortized cost including:	215,721	36,381	40,899	293,000
■ *Loans and receivables due from credit institutions and similar at amortized cost*	*11,492*	*146*	*485*	*12,123*
■ *Loans and receivables due from customers at amortized cost*	*204,179*	*35,936*	*40,414*	*280,529*
■ *Securities at amortized cost*	*50*	*299*	-	*349*
Financial assets at fair value through equity	446	213	1	660
Investments in equity consolidated companies	7	-	-	7
LIABILITIES				
Central banks	-	-	-	0
Financial liabilities at fair value through profit or loss	-	-	-	0
Hedging derivatives – Liabilities	-	-	3	3
Due to credit institutions	-	-	-	0
Due to customers	188,956	23,817	13,064	225,836
Debt securities	22,918	-	6	22,924

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2022 restated	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
ASSETS					
Cash and central banks	6,270	4,971	-	-	11,242
Financial assets at fair value through profit or loss	-	964	21,827	3,760	26,550
Hedging derivatives	94	157	1,368	-	1,619
Financial assets at amortized cost including:	21,486	25,318	3,568	48	50,421
■ *Loans and receivables due from credit institutions and similar at amortized cost*	1,005	2,750	2,335	11	6,101
■ *Loans and receivables due from customers at amortized cost*	18,670	21,374	1,233	1	41,278
■ *Securities at amortized cost*	1,812	1,194	-	36	3,042
Financial assets at fair value through equity	93	9,616	7,921	-	17,630
LIABILITIES					
Central banks	43	-	-	-	43
Financial liabilities at fair value through profit or loss	86	632	17,724	-	18,443
Hedging derivatives – Liabilities	23	5	1,069	-	1,097
Due to credit institutions	-	81,256	-	-	81,256
Due to customers	28,213	13,861	2,026	-	44,099
Debt securities	40	13,230	9,454	-	22,724

2b Breakdown of the income statement by business line

12/31/2023	Retail banking	Insurance	Specialized business lines	Other business lines	Total
Net revenue	8,410	1,198	2,563	-364	11,808
General operating expenses	-4,995	-129	-1,203	270	-6,057
Gross operating income	**3,415**	**1,069**	**1,361**	**-94**	**5,751**
Cost of counterparty risk	-1,032	0	-247	1	-1,279
Net gains and losses on other assets[1]	3	-5	8	47	53
Income before tax	**2,386**	**1,064**	**1,121**	**-47**	**4,525**
Income tax	-683	-232	-257	-7	-1,180
Post-tax gains and losses on discontinued assets	0	0	0	0	0
Net profit/(loss)	**1,703**	**832**	**865**	**-54**	**3,345**
Non-controlling interests	-	-	-	-	343
GROUP NET INCOME	**1,703**	**832**	**865**	**-54**	**3,002**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

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DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2023	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
Net revenue	4,577	3,131	703	8,410
General operating expenses	-2,864	-1,691	-439	-4,995
Gross operating income	**1,712**	**1,439**	**264**	**3,415**
Cost of counterparty risk	-278	-746	-8	-1,032
Net gains and losses on other assets	-4	6	0	3
Income before tax	**1,431**	**699**	**256**	**2,386**
Income tax	-376	-218	-89	-683
NET PROFIT/(LOSS)	**1,055**	**481**	**167**	**1,703**

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2023	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	1,125	629	465	345	2,563
General operating expenses	-705	-155	-257	-86	-1,203
Gross operating income	**419**	**474**	**208**	**259**	**1,361**
Cost of counterparty risk	-75	-168	-5	0	-247
Net gains and losses on other assets	0	8	0	0	8
Income before tax	**344**	**315**	**204**	**259**	**1,121**
Income tax	-78	-120	-57	-2	-257
NET PROFIT/(LOSS)	**267**	**195**	**147**	**256**	**865**

12/31/2022 restated	Retail banking	Insurance	Specialized business lines	Other business lines	Total
Net revenue	8,314	1,216	2,200	-198	11,533
General operating expenses	-4,728	-113	-1,113	257	-5,697
Gross operating income	**3,587**	**1,103**	**1,087**	**59**	**5,836**
Cost of counterparty risk	-726	0	-24	8	-743
Net gains and losses on other assets[1]	5	-13	13	-1,155	-1,150
Income before tax	**2,865**	**1,090**	**1,075**	**-1,087**	**3,943**
Income tax	-814	-266	-171	-14	-1,265
Post-tax gains and losses on discontinued assets	0	0	0	0	0
Net profit/(loss)	**2,051**	**824**	**904**	**-1,101**	**2,678**
Non-controlling interests	-	-	-	-	336
GROUP NET INCOME	**2,051**	**824**	**904**	**-1,101**	**2,342**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

DETAIL OF BUSINESS LINES IN THE "RETAIL BANKING" SECTOR

12/31/2022 restated	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
Net revenue	4,715	2,960	640	8,314
General operating expenses	-2,712	-1,603	-413	-4,728
Gross operating income	**2,002**	**1,358**	**226**	**3,587**
Cost of counterparty risk	38	-724	-41	-726
Net gains and losses on other assets	5	0	0	5
Income before tax	**2,046**	**633**	**186**	**2,865**
Income tax	-550	-206	-58	-814
NET PROFIT/(LOSS)	**1,496**	**427**	**128**	**2,051**

DETAIL OF BUSINESS LINES IN THE "SPECIALIZED BUSINESS LINES"

12/31/2022 restated	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	958	471	342	430	2,200
General operating expenses	-656	-146	-236	-75	-1,113
Gross operating income	**302**	**324**	**106**	**355**	**1,087**
Cost of counterparty risk	-33	7	-1	2	-24
Net gains and losses on other assets	13	0	0	0	13
Income before tax	**282**	**332**	**105**	**357**	**1,075**
Income tax	-55	-72	-28	-17	-171
NET PROFIT/(LOSS)	**227**	**260**	**77**	**340**	**904**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

2c Balance sheet breakdown by geographic area

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries [1]	Total	France	Europe outside France	Other countries [1]	Total
ASSETS								
Cash, central banks	80,341	14,859	1,874	97,074	94,944	11,539	4,970	111,454
Financial assets at fair value through profit or loss	30,111	367	2,711	33,188	27,196	539	863	28,599
Hedging derivatives	2,216	78	30	2,325	4,077	94	82	4,253
Financial assets at amortized cost	322,284	69,588	11,179	403,052	308,043	65,309	10,294	383,645
of which loans and receivables due from credit institutions	*58,477*	*1,091*	*3,310*	*62,878*	*54,436*	*1,126*	*2,407*	*57,969*
of which loans and receivables due from customers	*262,435*	*66,084*	*7,869*	*336,388*	*252,631*	*61,761*	*7,887*	*322,279*
of which securities at amortized cost	*1,373*	*2,413*	*0*	*3,786*	*975*	*2,422*	*0*	*3,397*
Financial assets at fair value through equity	25,256	656	11,010	36,922	24,113	631	9,582	34,327
Financial investments of insurance activities	129,967	1,785	0	131,752	121,327	1,515	0	122,842
Investments in equity consolidated companies	730	0	135	865	691	0	130	821

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries [1]	Total	France	Europe outside France	Other countries [1]	Total
LIABILITIES								
Central banks	0	28	3	31	0	44	0	44
Financial liabilities at fair value through profit or loss	17,474	241	224	17,939	18,005	325	442	18,772
Hedging derivatives	4,406	14	6	4,426	6,697	23	5	6,725
Due to credit institutions	42,460	5,530	11,290	59,280	58,863	13,563	8,829	81,256
Due to customers	232,574	63,159	3,569	299,302	221,080	58,614	3,989	283,682
Debt securities	134,023	6,177	10,076	150,276	122,212	1,356	10,991	134,560

(1) United States, Canada, Singapore, Hong Kong and Tunisia.

2d Breakdown of income statement by geographic area

	12/31/2023				12/31/2022			
	France	Europe outside France	Other countries [1]	Total	France	Europe outside France	Other countries [1]	Total
Net revenue [2]	7,698	3,885	225	11,808	7,815	3,475	242	11,533
General operating expenses	-3,804	-2,143	-110	-6,057	-3,573	-2,015	-109	-5,697
Gross operating income	**3,894**	**1,741**	**116**	**5,751**	**4,242**	**1,460**	**133**	**5,836**
Cost of counterparty risk	-611	-670	2	-1,279	-181	-588	26	-743
Net gains and losses on other assets [3]	31	1	20	53	-1,161	-12	23	-1,150
Income before tax	**3,315**	**1,073**	**137**	**4,525**	**2,900**	**860**	**183**	**3,943**
Total Net profit/(loss)	2,476	764	103	3,343	1,930	602	155	2,687
GROUP NET INCOME	**2,171**	**728**	**103**	**3,002**	**1,611**	**576**	**154**	**2,341**

(1) United States, Canada, Singapore, Hong Kong and Tunisia.
(2) 33.6% of net revenue (excluding Logistics and Holding) was generated abroad in 2023 (compared to 31.2% of net revenue in 2022).
(3) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

Note 3 Consolidation scope

3a Composition of the scope of consolidation

The parent company of the group is Banque Fédérative du Crédit Mutuel.

- At January 1, 2022, the following insurance companies were deconsolidated following the introduction of thresholds during the operational implementation of IFRS 17: Serenis Assurances, Partners, ICM Life, ASTREE, ACM Services, ACM Courtage, Agrupació Serveis Administratius AIE, AMDIF, SL, Asesoramiento en Seguros y Previsión Atlantis, SL, Asistencia Avançada BCN, SL, Atlantis Asesores, SL, Atlantis Correduría de Seguros y Consultoría Actuarial, SA, Targo Pensiones, Entidad Gestora de Fondos de Pensiones, SA, SCI ACM Tombe Issoire.

ACM Vie Mutuelle was included in the BFCM scope of consolidation at December 31, 2023 and December 31, 2022, restated to comply with IFRS 10 (see note 1).

Since December 31, 2022, the changes in the scope of consolidation are as follows:

- Entries: KCIOP, ACM Deutschland AG, ACM Deutschland life AG, ACM Deutschland non life AG, Fonds Révolution Environnementale et Solidaire, CIC Capital Belgium, Caroline 1, Crédit Mutuel Impact Forêts;
- Disposal: GACM España, GACM Seguros, Compañía de Seguros y Reaseguros, SAU, Agrupació AMCI d'Assegurances i Reassegurances SA, Atlantis Vida, Compañía de Seguros y Reaseguros SA, TARGOBANK in Spain;
- Amendment: Cofidis Italy branch office.

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
A. BANKING NETWORK							
Banque Européenne du Crédit Mutuel (BECM)	France	96	96	FC	96	96	FC
Beobank	Belgium	51	51	FC	51	51	FC
CIC Est	France	100	100	FC	100	99	FC
CIC Lyonnaise de Banque (LB)	France	100	100	FC	100	99	FC
CIC Lyonnaise de Banque Monaco (LB branch)	Monaco	100	100	FC	100	99	FC
CIC Nord Ouest	France	100	100	FC	100	99	FC
CIC Ouest	France	100	100	FC	100	99	FC
CIC Sud Ouest	France	100	100	FC	100	99	FC
Crédit Industriel et Commercial (CIC)	France	100	100	FC	100	99	FC
TARGOBANK in Spain	Spain	-	-	NC	100	100	FC
B. CONSUMER LOANS							
Cofidis Belgium	Belgium	100	80	FC	100	80	FC
Cofidis France	France	100	80	FC	100	80	FC
Cofidis Spain (branch of Cofidis France)	Spain	100	80	FC	100	80	FC
Cofidis Hungary (branch of Cofidis France)	Hungary	100	80	FC	100	80	FC
Cofidis Portugal (branch of Cofidis France)	Portugal	100	80	FC	100	80	FC
Cofidis SA Poland (branch of Cofidis France)	Poland	100	80	FC	100	80	FC
Cofidis SA Slovakia (branch of Cofidis France)	Slovakia	100	80	FC	100	80	FC
Cofidis Italy (branch of Cofidis France)	Italy	100	80	FC	100	80	FC
Cofidis Czech Republic	Czech Republic	100	80	FC	100	80	FC
Creatis	France	100	80	FC	100	80	FC
Margem-Mediação Seguros, Lda	Portugal	100	80	FC	100	80	FC
Monabanq	France	100	80	FC	100	80	FC
TARGOBANK AG	Germany	100	100	FC	100	100	FC
C. BANKING NETWORK SUBSIDIARIES							
Bail Actéa	France	100	100	FC	100	100	FC
Bail Actéa Immobilier	France	100	100	FC	100	100	FC
CCLS Leasing Solutions	France	100	100	FC	100	100	FC
Crédit Mutuel Caution Habitat	France	100	100	FC	100	100	FC
Crédit Mutuel Épargne Salariale	France	100	100	FC	100	99	FC
Crédit Mutuel Factoring	France	100	100	FC	100	99	FC

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
Crédit Mutuel Home Loan SFH	France	100	100	FC	100	100	FC
Crédit Mutuel Leasing	France	100	100	FC	100	99	FC
Crédit Mutuel Leasing Spain (branch of Crédit Mutuel Leasing)	Spain	100	100	FC	100	99	FC
Crédit Mutuel Leasing Benelux	Belgium	100	100	FC	100	99	FC
Crédit Mutuel Leasing Nederland (branch of Crédit Mutuel Leasing Benelux)	Belgium	100	100	FC	100	99	FC
Crédit Mutuel Leasing Gmbh	Germany	100	100	FC	100	99	FC
Crédit Mutuel Real Estate Lease	France	100	100	FC	100	100	FC
Factofrance SA	France	100	100	FC	100	100	FC
FCT Crédit Mutuel Factoring	France	100	100	FC	100	99	FC
FCT Factofrance	France	100	100	FC	100	100	FC
Gesteurop	France	100	100	FC	100	99	FC
LYF SA	France	44	44	EM	44	44	EM
Paysurf	France	51	64	FC	51	64	FC
Targo Factoring GmbH	Germany	100	100	FC	100	100	FC
Targo Finanzberatung GmbH	Germany	100	100	FC	100	100	FC
Targo Leasing GmbH	Germany	100	100	FC	100	100	FC
D. CORPORATE BANKING AND CAPITAL MARKETS							
CIC Brussels (branch of CIC)	Belgium	100	100	FC	100	99	FC
CIC Hong Kong (branch of CIC)	Hong Kong	100	100	FC	100	99	FC
CIC London (branch of CIC)	United Kingdom	100	100	FC	100	99	FC
CIC New York (branch of CIC)	USA	100	100	FC	100	99	FC
CIC Singapore (branch of CIC)	Singapore	100	100	FC	100	99	FC
Caroline 1	France	100	100	FC	-	-	NC
Satellite	France	100	100	FC	100	99	FC
E. ASSET MANAGEMENT AND PRIVATE BANKING							
Banque de Luxembourg	Luxembourg	100	100	FC	100	99	FC
Banque de Luxembourg Belgium (branch of Banque de Luxembourg)	Belgium	100	100	FC	100	99	FC
Banque de Luxembourg Investments SA (BLI)	Luxembourg	100	100	FC	100	99	FC
Banque Transatlantique (BT)	France	100	100	FC	100	99	FC
Banque Transatlantique Belgium	Belgium	100	100	FC	100	99	FC
Banque Transatlantique London (branch of BT)	United Kingdom	100	100	FC	100	99	FC
Banque Transatlantique Luxembourg	Luxembourg	100	100	FC	100	99	FC
CIC Private debt	France	100	100	FC	100	99	FC
CIC (Suisse)	Switzerland	100	100	FC	100	99	FC
Cigogne Management	Luxembourg	100	100	FC	100	100	FC
Crédit Mutuel Asset Management	France	100	100	FC	81	81	FC
Crédit Mutuel Gestion	France	100	100	FC	100	81	FC
Crédit Mutuel Investment Managers	France	100	100	FC	100	100	FC
Crédit Mutuel Investment Managers – Luxembourg branch	France	100	100	FC	100	100	FC
Dubly Transatlantique Gestion	France	100	100	FC	100	99	FC
F. PRIVATE EQUITY							
CIC Capital Canada Inc.	Canada	100	100	FC	100	99	FC
CIC Capital Suisse SA	Switzerland	100	100	FC	100	99	FC
CIC Capital Deutschland Gmbh	Germany	100	100	FC	100	99	FC

		12/31/2023			12/31/2022 restated		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
CIC Conseil	France	100	100	FC	100	99	FC
Crédit Mutuel Capital	France	100	100	FC	100	99	FC
Crédit Mutuel Equity	France	100	100	FC	100	99	FC
Crédit Mutuel Equity SCR	France	100	100	FC	100	99	FC
Crédit Mutuel Innovation	France	100	100	FC	100	99	FC
G. OTHER BUSINESS LINES							
Affiches d'Alsace Lorraine	France	100	99	FC	100	99	FC
Alsacienne de Portage – DNA	France	100	99	FC	100	99	FC
Banque de Tunisie	Tunisia	35	35	EM	35	35	EM
CIC Participations	France	100	100	FC	100	99	FC
Crédit Mutuel Impact Fôrets	France	100	83	FC	-	-	NC
Cofidis Group (formerly Cofidis Participations)	France	80	80	FC	80	80	FC
Crédit Mutuel Immobilier	France	100	100	FC	100	100	FC
EBRA Medias Rhone-Alpes PACA (formerly Groupe Dauphiné Media)	France	100	100	FC	100	100	FC
EBRA (formerly Société d'Investissements Médias (SIM))	France	100	100	FC	100	100	FC
EBRA Editions (formerly Les Éditions du Quotidien)	France	100	100	FC	100	100	FC
EBRA events	France	100	100	FC	100	100	FC
EBRA Info (formerly AGIR)	France	100	100	FC	100	100	FC
Ebra Médias Alsace	France	100	99	FC	100	99	FC
EBRA Medias Bourgogne Rhone-Alpes (formerly Publiprint Province n° 1)	France	100	100	FC	100	100	FC
Ebra Médias Lorraine Franche Comté	France	100	100	FC	100	99	FC
EBRA Portage Bourgogne Rhone-Alpes (formerly Presse Diffusion)	France	100	100	FC	100	100	FC
EBRA Productions	France	100	100	FC	100	100	FC
EBRA services	France	100	100	FC	100	100	FC
EBRA Studio (formerly Est Info TV)	France	100	100	FC	100	100	FC
Est Bourgogne Médias	France	100	100	FC	100	100	FC
Euro Protection Surveillance	France	22	22	EM	22	22	EM
Euro-Information	France	27	27	EM	26	26	EM
Foncière Massena	France	100	66	FC	100	66	FC
Fonds Révolution Environnementale et Solidaire	France	100	83	FC	-	-	NC
France Régie	France	100	99	FC	100	99	FC
GEIE Synergie	France	100	80	FC	100	80	FC
Groupe Progrès	France	100	100	FC	100	100	FC
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100	100	FC	100	100	FC
Humanoid	France	100	71	FC	100	71	FC
Journal de la Haute Marne	France	50	50	EM	50	50	EM
KCIOP	France	62	62	FC	-	-	NC
La Liberté de l'Est	France	100	100	FC	97	97	FC
La Tribune	France	100	100	FC	100	100	FC
Le Dauphiné Libéré	France	100	100	FC	100	100	FC
Le Républicain Lorrain	France	100	100	FC	100	100	FC
Les Dernières Nouvelles d'Alsace	France	99	99	FC	99	99	FC
L'Est Républicain	France	100	100	FC	100	100	FC
Lumedia	Luxembourg	50	50	EM	50	50	EM
Madmoizelle	France	100	71	FC	100	71	FC
Media des massifs français (formerly NEWCO4)	France	68	68	FC	68	68	FC

	Country	12/31/2023			12/31/2022 restated		
		Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
Médiaportage	France	100	100	FC	100	100	FC
Mutuelles Investissement	France	100	97	FC	90	90	FC
Oddity H.	France	71	71	FC	71	71	FC
Presstic Numerama	France	100	71	FC	100	71	FC
SAP Alsace	France	100	100	FC	100	100	FC
SCI 14 Rue de Londres	France	100	66	FC	90	59	FC
SCI ACM	France	100	66	FC	100	66	FC
SCI La Tréflière	France	46	46	EM	46	46	EM
SCI Le Progrès Confluence	France	100	100	FC	100	100	FC
SCI Provence Lafayette	France	100	66	FC	100	66	FC
SCI Saint Augustin	France	100	66	FC	100	66	FC
Société d'Édition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100	100	FC	100	100	FC
Targodeutschland GmbH	Germany	100	100	FC	100	100	FC
Targo Dienstleistungs GmbH	Germany	100	100	FC	100	100	FC
Targo Technology GmbH	Germany	100	100	FC	100	100	FC
Targo Versicherungsvermittlung GmbH	Germany	100	100	FC	100	100	FC
H. INSURANCE COMPANIES							
ACM Belgium Life (formerly NELB North Europe Life Belgium)	Belgium	100	66	FC	100	66	FC
ACM Capital	France	100	66	FC	100	66	FC
ACM Deutschland AG	Germany	100	83	FC	-	-	NC
ACM Deutschland life AG	Germany	100	83	FC	-	-	NC
ACM Deutschland non life AG	Germany	100	83	FC	-	-	NC
ACM GIE	France	100	66	FC	100	66	FC
ACM IARD	France	97	64	FC	97	64	FC
ACM VIE SA	France	100	66	FC	100	66	FC
ACM VIE, Société d'Assurance Mutuelle	France	100	66	FC	100	66	FC
Agrupació AMCI d'Assegurances i Reassegurances SA	Spain	-	-	NC	95	63	FC
Atlantis Vida, Compañía de Seguros y Reaseguros SA	Spain	-	-	NC	88	59	FC
GACM España	Spain	-	-	NC	100	66	FC
GACM Seguros, Compañía de Seguros y Reaseguros, Sau	Spain	-	-	NC	100	66	FC
Groupe des Assurances du Crédit Mutuel (GACM)	France	66	66	FC	66	66	FC

** Method: FC = Full consolidation; EM = equity method; NC = not consolidated. M = Merged.*

3b Information on entities included in the consolidation scope

Article L.511-45 of the French Monetary and Financial Code requires credit institutions to publish information on their establishments and their activities in each state or territory. Each establishment's country is mentioned in the scope of consolidation.

The group does not have offices that meet the criteria defined by the Order of October 6, 2009 in the non-cooperative States or territories included on the list set by the Order of October 23, 2023.

Country	Net revenue	Income (loss) before tax	Current tax	Deferred tax	Other taxes and social security contributions	Workforce	Public subsidies
Germany	1,958	780	-191	-25	-133	5,644	0
Belgium	489	174	-37	17	-58	1,511	0
Canada	-8	-12	-0	2	-0	9	0
Spain	272	12	-1	0	-22	1,660	0
United States of America	132	90	-27	-0	-13	95	0
France	7,698	4,287	-869	30	-977	28,622	0
Hong Kong	15	9	-1	0	-2	19	0
Hungary	39	-4	-1	-0	-4	359	0
Italy	131	14	-1	8	-7	344	0
Luxembourg	434	181	-34	1	-35	1,032	0
Monaco	10	6	1	0	0	19	0
The Netherlands	2	2	-0	0	-0	1	0
Poland	9	-7	0	-1	-2	101	0
Portugal	191	74	-20	-0	-9	695	0
Czech Republic	17	-1	0	0	-2	157	0
United Kingdom	68	59	-13	0	-5	74	0
Singapore	87	51	-7	-0	-7	144	0
Slovakia	9	-4	0	0	-1	85	0
Switzerland	256	84	-5	-5	-15	430	0
Tunisia [1]	0	20	0	0	0	0	0
TOTAL	**11,808**	**5,815**	**-1,206**	**26**	**-1,290**	**41,001**	**0**

(1) Entity consolidated using the equity method.

3c Fully consolidated entities with significant non-controlling interests

12/31/2023	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities [1]			
	Percentage of interest/ Percentage of voting rights	Net profit/ (loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Groupe des Assurances du Crédit Mutuel (GACM)	34%	288	3,295	-378	142,533	836	551	1,193
Beobank	49%	29	386	-7	10,016	43	22	315
Cofidis France	20%	9	NA [2]	0	11,957	44	-3	565

(1) Amounts before elimination of intercompany balances and transactions.

(2) In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in COFIDIS GROUP (formerly Participations) to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the remaining balance.

12/31/2022 restated	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities [1]			
	Percentage of interest/ Percentage of voting rights	Net profit/ (loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Groupe des Assurances du Crédit Mutuel (GACM)	34%	285	3,410	-135	134,054	823	29	1,214
Beobank	49%	14	382	-10	9,106	5	29	269
Cofidis France	20%	13	NA [2]	0	11,701	39	20	549

(1) Amounts before elimination of intercompany balances and transactions.

(2) In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in COFIDIS GROUP (formerly Participations) to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the remaining balance.

3d Equity investments in structured non-consolidated entities

- **Asset financing:**

The group grants loans to structured entities whose sole purpose is to hold assets to be leased; the rents received enable the structured entity to repay its borrowings. These entities are dissolved following the financing transaction. The group is generally the sole shareholder.

For this category, the maximum exposure to losses in respect of the structured entities corresponds to the carrying amount of the structured entity's financed asset.

- **Collective investment undertakings or funds:**

The group acts as fund manager and custodian. It offers its fund clients in which it does not intend to invest. The group markets and manages these funds, dedicated or public, and is paid for this by commissions.

For certain funds offering guarantees to unitholders, the group may be the counterparty to swaps put in place. In the exceptional cases where the group is both the manager and investor in such a way that it may be assumed to be acting primarily for proprietary trading, this entity would then be brought within the scope of consolidation.

An interest in a structured non-consolidated entity is a contractual or non-contractual relationship that exposes the group to the variable yields associated with the performance of the entity.

The group's risk is essentially an operational risk of failure to meet its management mandate or its mandate as custodian and, where applicable, the group is also exposed to risk up to the amounts invested.

No financial support has been granted to the structured entities of the group during the fiscal year.

	12/31/2023			12/31/2022 restated		
	Securitization vehicle (SPV)	Asset management (UCITS/REIT) [1]	Other structured entities [2]	Securitization vehicle (SPV)	Asset management (UCITS/REIT) [1]	Other structured entities [2]
Balance sheet total	0	34,395	2,845	0	22,851	2,537
Carrying amounts of financial assets	0	17,621	1,034	0	12,176	1,036

(1) The amounts indicated concern UCITS held at more than 20% and which the group manages, including account units held by insured parties.

(2) The other structured entities correspond to asset financing entities.

3e Assets, liabilities and profit/(loss) from non-current activities held for sale

	12/31/2023	12/31/2022 restated
Non-current assets held for sale	0	4,874
Non-current liabilities held for sale	0	3,622
Post-tax gains/(losses) on discontinued operations	0	0

As of December 31, 2022, the assets and liabilities of the following companies were reclassified under IFRS 5 as “Assets and liabilities held for sale”:

- GACM España, following the signature on December 13, 2022 of an agreement between GACM and Axa Seguros Generales, SA de Seguros y Reaseguros (Axa Spain) for the sale by GACM SA of 100% of the capital of GACM España to Axa Spain. This sale was completed on July 12, 2023;
- TARGOBANK in Spain, following the announcement that the group had entered into exclusive negotiations with ABANCA on December 22, 2022, with a view to the sale of TARGOBANK in Spain by BFCM. This sale was completed on October 6, 2023.

	12/31/2023	12/31/2022 restated
Cash and central banks	0	241
Financial assets at fair value through profit or loss	0	1
Hedging derivatives	0	14
Financial assets at fair value through equity	0	0
Securities at amortized cost	0	0
Loans and receivables due from credit institutions and similar at amortized cost	0	458
Loans and receivables due from customers at amortized cost	0	3,320
Revaluation adjustment on rate-hedged books	0	0
Financial investments of insurance activities	0	846
Insurance contracts issued - Assets	0	-
Reinsurance contracts held - Assets	0	23
Current tax assets	0	1
Deferred tax assets	0	24
Accruals and miscellaneous assets	0	71
Non-current assets held for sale	0	15
Postponed profit sharing	0	0
Investments in equity consolidated companies	0	0
Investment property	0	0
Property, plant and equipment	0	75
Intangible assets	0	9
Goodwill	0	46
Fair value measurement of assets held for sale	0	-270
Non-current assets held for sale	**0**	**4,874**
Due to credit and similar institutions at amortized cost	0	411
Due to customers at amortized cost	0	2,429
Revaluation adjustment on rate-hedged books	0	14
Current tax liabilities	0	16
Deferred tax liabilities	0	0
Accruals and miscellaneous liabilities	0	162
Debt related to non-current assets held for sale	0	0
Liabilities related to insurance contracts	0	520
Provisions	0	30
Subordinated debt at amortized cost	0	40
Debt related to non-current assets held for sale	**0**	**3,622**
Share of net profit/(loss) of equity consolidated companies	0	0
Post-tax gains/(losses) on discontinued operations	**0**	**0**

Note 4 Cash and central banks (assets/liabilities)

	12/31/2023	12/31/2022 restated
Cash, central banks – asset	**-**	**-**
Central banks	96,426	110,601
of which mandatory reserves	*2,836*	*2,618*
Local bank	648	853
Total	**97,074**	**111,454**
Central banks – liability	**31**	**44**

Note 5 Financial assets and liabilities at fair value through profit or loss

5a Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022 restated			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**8,267**	**805**	**6,032**	**15,104**	**6,315**	**734**	**4,924**	**11,973**
■ Government securities	694	0	0	694	1,034	0	0	1,034
■ Bonds and other debt securities	6,309	805	288	7,402	4,550	734	235	5,518
Listed	*6,309*	*0*	*11*	*6,320*	*4,550*	*26*	*161*	*4,737*
Non-listed	*0*	*805*	*277*	*1,082*	*0*	*708*	*74*	*781*
of which UCIs	*0*		*80*	*80*	*0*		*229*	*229*
■ Shares and other equity instruments	1,264	-	4,921	6,185	731	-	4,094	4,825
Listed	*1,264*		*1,115*	*2,379*	*731*		*1,041*	*1,772*
Non-listed	*0*		*3,806*	*3,806*	*0*		*3,053*	*3,053*
■ Long-term investments	-	-	823	823	-	-	596	596
Equity investments			*267*	*267*			*198*	*198*
Other long-term investments			*101*	*101*			*166*	*166*
Investments in subsidiaries and associates			*454*	*454*			*231*	*231*
Other long-term investments			*1*	*1*			*1*	*1*
Derivative instruments	**5,634**	**-**	**-**	**5,634**	**6,869**	**-**	**-**	**6,869**
Loans and receivables	**12,407**	**0**	**17**	**12,424**	**9,743**	**0**	**14**	**9,757**
of which pensions	*12,407*	*0*	*-*	*12,407*	*9,743*	*0*	*-*	*9,743*
Other assets classified at FVPL	**26**	**-**	**-**	**26**	**0**	**-**	**-**	**0**
TOTAL	**26,334**	**805**	**6,049**	**33,188**	**22,927**	**734**	**4,938**	**28,599**

LIST OF MAIN NON-CONSOLIDATED EQUITY INVESTMENTS RECOGNIZED AT FAIR VALUE THROUGH PROFIT OR LOSS

	-	% held	FV at 12/31/23	Shareholders' equity	Balance sheet total	NBI or Revenues	Net profit/ (loss)
Crédit Logement	Unlisted	5%	74	1,593	12,553	216	120
CRH (Caisse de Refinancement de l'Habitat)	Unlisted	10%	63	604	16,793	4	1
Groupement Forestier Vosges Nord [1]	Unlisted	87%	219	27	27	2	<1

The figures (except the percentage held) relate to the 2022 fiscal year.

(1) Acquisition in 2023 by Crédit Mutuel Impact Forêts.

ERRATUM: BMCE securities have been downgraded to short-term investment securities since 2018, but wrongly included in the list of investments in previous years.

5b Financial liabilities at fair value through profit or loss

	12/31/2023	12/31/2022 restated
Financial liabilities held for trading	17,793	18,616
Financial liabilities at fair value through profit or loss on option	146	156
TOTAL	**17,939**	**18,772**

FINANCIAL LIABILITIES HELD FOR TRADING

	12/31/2023	12/31/2022 restated
Short sales of securities	**769**	**1,365**
Bonds and other debt securities	176	646
Shares and other capital instruments	593	719
Debts in respect of securities sold under repurchase agreements	**11,020**	**9,748**
Trading derivatives	**5,432**	**6,816**
Other financial liabilities held for trading	**572**	**687**
TOTAL	**17,793**	**18,616**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ON OPTION

	12/31/2023			12/31/2022 restated		
	Carrying amount	Amount due	Difference	Carrying amount	Amount due	Difference
Interbank debt	84	84	0	132	132	0
Due to customers	62	62	0	24	24	0
TOTAL	**146**	**146**	**0**	**156**	**156**	**0**

5c Analysis of trading derivatives

	12/31/2023			12/31/2022 restated		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Rate instrument	*184,824*	*3,375*	*3,330*	*169,041*	*4,685*	*4,604*
Swaps	85,769	2,642	2,979	79,024	3,162	4,032
Other firm contracts	56,227	0	0	53,697	0	0
Options and conditional instruments	42,828	733	351	36,320	1,523	572
Foreign exchange instrument	*155,929*	*2,039*	*1,885*	*150,634*	*1,917*	*1,909*
Swaps	105,189	47	72	101,188	45	144
Other firm contracts	13,673	1,758	1,579	12,705	1,566	1,459
Options and conditional instruments	37,067	234	234	36,741	306	306
Other derivatives	*19,156*	*220*	*218*	*22,131*	*267*	*303*
Swaps	6,711	83	98	7,040	50	110
Other firm contracts	8,541	44	57	9,923	100	85
Options and conditional instruments	3,904	93	63	5,168	117	108
TOTAL	**359,909**	**5,634**	**5,433**	**341,806**	**6,869**	**6,816**

Swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

Note 6 Hedging

6a Hedging derivatives

	12/31/2023			12/31/2022 restated		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Fair Value Hedges	*337,738*	*2,325*	*4,426*	*279,891*	*4,253*	*6,725*
Swaps	337,737	2,325	4,426	279,875	4,253	6,725
Other firm contracts	0	0	0	0	0	0
Options and conditional instruments	1	0	0	16	0	0
TOTAL	**337,738**	**2,325**	**4,426**	**279,891**	**4,253**	**6,725**

Swaps are valued with an OIS curve if they are collateralized or, otherwise, with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

MATURITY SCHEDULE OF THE NOMINAL VALUE OF HEDGING DERIVATIVES

12/31/2023	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2023
Fair Value Hedges	*20,453*	*30,906*	*177,758*	*108,620*	*337,738*
Swaps	20,453	30,906	177,758	108,621	108,621
Other firm contracts	0	0	0	0	0
Options and conditional instruments	0	0	1	0	1
TOTAL	**20,453**	**30,906**	**177,758**	**108,620**	**337,738**

12/31/2022 restated	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2022
Fair Value Hedges	*9,867*	*18,883*	*164,314*	*86,827*	*279,891*
Swaps	9,852	18,883	164,313	86,827	279,875
Other firm contracts	0	0	0	0	0
Options and conditional instruments	15	0	1	0	16
TOTAL	**9,867**	**18,883**	**164,314**	**86,827**	**279,891**

6b Revaluation adjustment on rate-hedged books

	12/31/2023	12/31/2022 restated
Fair value of portfolio interest rate risk	-	-
■ in financial assets	-558	-2,733
■ in financial liabilities	-27	-14

6c Fair Value Hedged items

ASSET ITEMS HEDGED

	12/31/2023			12/31/2022 restated		
	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Loans and receivables due from credit institutions at amortized cost	31,245	0	0	30,014	0	0
Customer loans at amortized cost	184,922	-562	2,310	72,303	-2,872	-3,361
Securities at amortized cost	1,134	-55	42	1,125	-97	-124
Financial assets at FVOCI	21,198	-412	674	20,259	-1,086	-2,268
TOTAL	**238,499**	**-1,029**	**3,026**	**123,701**	**-4,055**	**-5,753**

LIABILITY ITEMS HEDGED

	12/31/2023			12/31/2022 restated		
	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Debt securities	75,437	-2,393	2,456	65,116	-4,849	-5,262
Due to credit institutions	17,957	-879	736	36,403	-1,615	2,017
Due to customers	24,770	-31	32	29,143	-63	-77
TOTAL	**118,164**	**-3,303**	**3,224**	**130,662**	**-6,527**	**-7,356**

Note 7 Financial assets at fair value through shareholders' equity

	12/31/2023	12/31/2022 restated
Government securities	11,616	10,873
Bonds and other debt securities	24,619	22,767
■ Listed	23,675	21,724
■ Non-listed	944	1,043
Receivables related	271	195
Debt securities subtotal, gross	**36,506**	**33,834**
Of which impaired debt securities (S3)	3	0
Impairment of performing loans (S1/S2)	-20	-19
Other impairment (S3)	-3	0
Debt securities subtotal, net	**36,483**	**33,815**
Shares and other capital instruments	123	217
■ Listed	0	1
■ Non-listed	123	213
Long-term investments	316	295
■ Equity investments	105	96
■ Other long-term investments	160	142
■ Investments in subsidiaries and associates	51	57
Subtotal, equity instruments	**439**	**512**
TOTAL	**36,922**	**34,327**
Of which unrealized capital gains or losses recognized under shareholders' equity	-67	-6
Of which listed equity investments.	0	0

Note 8 Fair value hierarchy of financial instruments carried at fair value on the balance sheet

12/31/2023	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS IFRS 9				
Fair value through equity	**32,254**	**4,195**	**473**	**36,922**
Government and equivalent securities	11,590	72	36	11,697
Bonds and other debt securities	20,664	4,122	0	24,786
Shares and other capital instruments	0	2	121	123
Investments and other long-term securities	0	0	265	265
Investments in subsidiaries and associates	0	0	51	51
EC Loans and Receivables - FVTPL	0	0	0	0
Customer loans and receivables - FVTPL	0	0	0	0
Trading/Fair value option/Other	**7,849**	**18,063**	**7,250**	**33,162**
Government securities and similar instruments – Trading	582	112	0	694
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	0	0	0	0
Bonds and other debt securities – Trading	4,628	1,061	621	6,310
Bonds and other debt securities – Fair value option	0	0	805	805
Bonds and other debt securities – Other FVPL	206	74	8	288
Shares and other equity instruments – Trading	1,264	0	0	1,264
Shares and other equity instruments – Other FVPL[1]	1,115	0	3,806	4,921
Investments and other long-term securities – Other FVPL	5	0	363	368
Investments in subsidiaries and associates – Other FVPL	0	0	454	454
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from credit institutions - Other FVPL	0	0	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables due from customers – Trading	0	12,407	0	12,407
Loans and receivables due from customers – Other FVPL	0	17	0	17
Derivatives and other financial assets – Trading	50	4,392	1,192	5,634
Other assets classified at FVPL	0	0	0	0
Hedging derivatives	**1**	**2,321**	**2**	**2,325**
TOTAL	**40,104**	**24,579**	**7,725**	**72,409**
FINANCIAL ASSETS IFRS 9 – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	**69,827**	**6,716**	**2,337**	**78,880**
Government and equivalent securities	30,761	219	0	30,980
Bonds and other debt securities	36,930	522	0	37,451
Shares and other capital instruments	1,218	16	0	1,234
Investments and other long-term securities	918	0	1,586	2,504
Investments in subsidiaries and associates	0	0	751	751
Loans and receivables - FVTPL	0	5,960	0	5,960
Trading/Fair value option/Other	**37,713**	**12,146**	**62**	**49,921**
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	161	7	0	168

12/31/2023	Level 1	Level 2	Level 3	Total
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	23,304	5,302	0	28,606
Shares and other equity instruments – Trading	0	0	0	0
Shares and other capital instruments – Other FVPL	14,247	6,266	62	20,575
Investments and other long-term securities – Other FVPL	0	0	0	0
Investments in subsidiaries and associates – Other FVPL	0	0	0	0
Loans and receivables - Fair value option	0	0	0	0
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables - Other FVPL	0	209	0	209
Loans and receivables due from credit institutions - Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
operating properties - Other FVPL	0	362	0	362
Hedging derivatives	**0**	**0**	**0**	**0**
Non-operating properties OFVPL	**0**	**2,768**	**0**	**2,768**
TOTAL	**107,540**	**21,631**	**2,399**	**131,569**

12/31/2023	Level 1	Level 2	Level 3	Total
FINANCIAL LIABILITIES IFRS 9				
Trading/Fair value option	**1,254**	**15,157**	**1,528**	**17,939**
Due to credit institutions – Fair value option	0	84	0	84
Due to customers – Fair value option	0	62	0	62
Debt securities – Fair value option	0	0	0	0
Subordinated debt – Fair value option	0	0	0	0
Debt – Trading	0	11,020	0	11,020
Derivatives and other financial liabilities – Trading	1,254	3,991	1,528	6,773
Hedging derivatives	**0**	**4,417**	**9**	**4,426**
TOTAL	**1,254**	**19,574**	**1,537**	**22,365**

(1) Includes the equity investments held by the group's private equity companies.

- Level 1: price quoted in an active market;
- Level 2: prices quoted in active markets for similar instruments, and valuation method in which all significant inputs are based on observable market information;
- Level 3: valuation based on internal models containing significant unobservable inputs.

Instruments in the trading portfolio classified under levels 2 or 3 mainly consist of derivatives and securities considered as illiquid. All of these instruments include uncertainties of valuation, which give rise to adjustments in value reflecting the risk premium that a market player would incorporate in establishing the price. These valuation adjustments make it possible to integrate, in particular, risks that would not be captured by the model, liquidity risks associated with the instrument or the parameter in question, specific risk premiums intended to offset certain surcharges that would elicit the dynamic management strategy associated with the model in certain market conditions, and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter includes the counterparty risk itself present in the fair value of over-the-counter derivatives. When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Fair value hierarchy – Level 3	Opening	Purchases	Sales/ repayments	Transfers	Gains and losses in the income statement	Gains and losses in equity	Other movement	Closing
Shares and other capital instruments – Other FVPL	3,053	417	-79	-3	317	0	103	3,806

12/31/2022 restated	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS IFRS 9				
Fair value through equity	**30,564**	**3,188**	**574**	**34,327**
Government and equivalent securities	10,598	289	59	10,946
Bonds and other debt securities	19,965	2,898	6	22,869
Shares and other capital instruments	1	2	213	216
Investments and other long-term securities	0	0	239	239
Investments in subsidiaries and associates	0	0	57	57
EC Loans and Receivables - FVTPL	0	0	0	0
Customer loans and receivables - FVTPL	0	0	0	0
Trading/Fair value option/Other	**5,734**	**15,900**	**6,965**	**28,599**
Government securities and similar instruments – Trading	1,025	0	9	1,034
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	0	0	0	0
Bonds and other debt securities – Trading	2,725	1,670	156	4,550
Bonds and other debt securities – Fair value option	26	0	707	734
Bonds and other debt securities – Other FVPL	162	57	16	235
Shares and other equity instruments – Trading	731	0	0	731
Shares and other equity instruments – Other FVPL[1]	1,041	0	3,053	4,093
Investments and other long-term securities – Other FVPL	1	0	363	365
Investments in subsidiaries and associates – Other FVPL	0	0	231	231
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from credit institutions - Other FVPL	0	0	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables due from customers – Trading	0	9,743	0	9,743
Loans and receivables due from customers – Other FVPL	0	14	0	14
Derivatives and other financial assets – Trading	24	4,415	2,430	6,869
Other assets classified at FVPL	0	0	0	0
Hedging derivatives	**3**	**4,248**	**2**	**4,253**
TOTAL	**36,302**	**23,337**	**7,541**	**67,179**
FINANCIAL ASSETS IFRS 9 – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	**63,245**	**7,629**	**2,038**	**72,912**
Government and equivalent securities	26,930	230	0	27,160
Bonds and other debt securities	34,981	188	0	35,168
Shares and other capital instruments	1,030	27	0	1,057
Investments and other long-term securities	305	0	1,299	1,604
Investments in subsidiaries and associates	0	0	739	739
Loans and receivables - FVTPL	0	7,184	0	7,184
Trading/Fair value option/Other	**33,380**	**12,282**	**93**	**45,755**
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	146	6	0	153
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0

12/31/2022 restated	Level 1	Level 2	Level 3	Total
Bonds and other debt securities – Other FVPL	20,153	5,268	0	25,421
Shares and other equity instruments – Trading	0	0	0	0
Shares and other capital instruments – Other FVPL	13,080	6,385	90	19,556
Investments and other long-term securities – Other FVPL	0	0	3	3
Investments in subsidiaries and associates – Other FVPL	0	0	0	0
Loans and receivables - Fair value option	0	0	0	0
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables - Other FVPL	0	203	0	203
Loans and receivables due from credit institutions - Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
operating properties - Other FVPL	0	419	0	419
Hedging derivatives	**0**	**0**	**0**	**0**
Non-operating properties OFVPL	**0**	**3,194**	**0**	**3,194**
TOTAL	**96,625**	**23,105**	**2,132**	**121,861**

12/31/2022 restated	Level 1	Level 2	Level 3	Total
FINANCIAL LIABILITIES IFRS 9				
Trading/Fair value option	**2,038**	**14,248**	**2,486**	**18,772**
Due to credit institutions – Fair value option	0	133	0	133
Due to customers – Fair value option	0	24	0	24
Debt – Trading	0	9,748	0	9,748
Derivatives and other financial liabilities – Trading	2,038	4,344	2,486	8,868
Hedging derivatives	**0**	**6,713**	**13**	**6,725**
TOTAL	**2,038**	**20,961**	**2,499**	**25,497**

(1) Includes the equity investments held by the group's private equity companies.

Note 9 Note on securitization outstandings

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on FSB recommendations. Trading and fair value securities portfolios through equity were valued at market price from external data coming from organized markets, primary brokers, or when no other price is available, from comparable securities listed on the market.

Summary	Carrying amount 12/31/2023	Carrying amount 12/31/2022 restated
RMBS	1,356	1,255
CMBS	0	0
CLO	3,851	3,996
Other ABS	3,494	3,199
TOTAL	**8,701**	**8,450**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures at 12/31/2023	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	116	0	0	97	213
Amortized cost	19	0	31	1,736	1,786
Fair value – Others	1	0	306	60	366
Fair value through equity	1,220	0	3,514	1,601	6,335
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
France	543	0	841	1,123	2,507
Spain	58	0	0	230	288
United Kingdom	156	0	120	165	441
Europe excluding France, Spain and the UK	529	0	249	1,231	2,009
USA	2	0	2,641	585	3,228
Other	68	0	0	161	228
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
US Branches	0	0	0	0	0
AAA	1,326	0	3,527	1,573	6,427
AA	19	0	241	539	799
A	9	0	83	3	94
BBB	0	0	0	0	0
BB	0	0	0	1	1
B or below	2	0	0	7	9
Not rated	0	0	0	1,371	1,371
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
Origination 2005 and earlier	7	0	0	0	7
Origination 2006-2008	16	0	0	7	23
Origination 2009-2011	0	0	0	0	0
Origination 2012-2023	1,332	0	3,851	3,487	8,671
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**

Exposures at 12/31/2022	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	145	0	0	206	351
Amortized cost	26	0	337	1,516	1,879
Fair value – Others	1	0	0	0	1
Fair value through equity	1,083	0	3,659	1.477	6,219
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**
France	560	0	786	930	2,275
Spain	95	0	0	328	423
United Kingdom	6	0	175	163	344
Europe excluding France, Spain and the UK	474	0	279	1.080	1,832
USA	5	0	2,756	567	3,328
Other	116	0	0	133	248
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**
US Branches	0	0	0	0	0
AAA	1,174	0	3,722	1,308	6,204
AA	63	0	199	644	906
A	10	0	75	4	89
BBB	5	0	0	0	5
BB	0	0	0	0	0
B or below	2	0	0	7	9
Not rated	0	0	0	1,237	1,237
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**
Origination 2005 and earlier	9	0	0	0	9
Origination 2006-2008	24	0	0	7	31
Origination 2009-2011	7	0	0	0	7
Origination 2012-2022	1,215	0	3,996	3,192	8,403
TOTAL	**1,255**	**0**	**3,996**	**3,199**	**8,450**

Note 10 Financial assets at amortized cost

	12/31/2023	12/31/2022 restated
Securities at amortized cost	3,786	3,397
Loans and receivables to credit institutions	62,878	57,969
Loans and receivables to customers	336,388	322,279
TOTAL	**403,052**	**383,645**

10a Securities at amortized cost

	12/31/2023	12/31/2022 restated
Securities	3,837	3,452
■ Government securities	1,612	1,654
■ Bonds and other debt securities	2,225	1,798
Listed	1,417	718
Non-listed	808	1.080
Receivables related	16	11
TOTAL GROSS	**3,853**	**3,463**
of which impaired assets (S3)	*95*	*93*
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-65	-64
TOTAL NET	**3,786**	**3,397**

At December 31, 2023, the net carrying amount of HQLA debt securities recognized as assets at amortized cost amounted to €1,767 million. The estimated fair value of these assets is €1,727 million.

10b Loans and receivables due from credit institutions at amortized cost

	12/31/2023	12/31/2022 restated
Performing loans (S1/S2)	62,253	57,376
Crédit Mutuel network accounts [1]	13,689	11,360
Other ordinary accounts	3,769	3,886
Loans	32,426	31,438
Other receivables	10,458	9,216
Pensions	1,911	1,477
Receivables related	627	596
Impairment of performing loans (S1/S2)	-2	-3
TOTAL	**62,878**	**57,969**

(1) mainly concerns outstanding CDC repayments (LEP, LDD, Livret bleu, Livret A).

10c Loans and receivables due from customers at amortized cost

	12/31/2023	12/31/2022 restated
Performing loans (S1/S2)	311,671	299,840
Commercial loans	17,932	18,146
Other customer receivables	292,948	281,132
■ home loans	120,548	115,150
■ other loans and receivables, including pensions [1] [2]	172,400	165,982
Receivables related	791	561
Insurance and reinsurance receivables	0	0
Gross receivables subject to individual impairment (S3)	11,740	10,117
Gross receivables	**323,411**	**309,958**
Impairment of performing loans (S1/S2) [3]	-2,412	-2,512
Other impairment (S3)	-5,757	-5,099
SUBTOTAL I	**315,242**	**302,347**
Finance leases (net investment)	20,726	19,614
■ Equipment	15,084	14,209
■ Real estate	5,642	5,405
Gross receivables subject to individual impairment (S3)	860	710
Impairment of performing loans (S1/S2)	-187	-189
Other impairment (S3)	-253	-203
SUBTOTAL II	**21,146**	**19,932**
TOTAL	**336,388**	**322,279**
of which subordinated loans	12	12
of which pensions	1,445	1,203

(1) including €7 billion at December 31, 2023 of state-guaranteed loans (SGLs) granted during the Covid-19 crisis.

(2) This includes guarantee deposits paid in respect of payment commitments to the Single Resolution Fund (€243 million) and the Deposit Guarantee Fund (€121 million). It should be noted that, in the context of the single resolution mechanism, irrevocable payment undertakings represent contingent liabilities, as the prospect of their being called upon is deemed improbable in an environment of going concern and resilience of the Eurozone banking system highlighted by the results of the ECB 2023 stress tests.

(3) The item includes a post-model adjustment. - see note 1 – Accounting principles.

BREAKDOWN OF STATE-GUARANTEED LOANS (SGL)

	Outstandings			Write down		
	S1	S2	S3	S1	S2	S3
amount at 12/31/2023	5,405	895	1,178	-4	-6	-150
amount at 12/31/2022	7,734	1,401	907	-5	-12	-93

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
Gross carrying amount	20,324	3,578	-2,311	-5	21,586
Impairment of non-recoverable lease payments	-392	-191	151	-8	-440
NET CARRYING AMOUNT	**19,932**	**3,387**	**-2,160**	**-13**	**21,146**

MATURITY ANALYSIS OF MINIMUM FUTURE LEASE PAYMENTS RECEIVABLE UNDER FINANCE LEASES

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Minimum future lease payments receivable	6,030	12,059	3,541	21,630
Present value of future lease payments	5,620	11,476	3,517	20,613
UNEARNED FINANCIAL INCOME	**410**	**583**	**24**	**1,017**

Note 11 Financial liabilities at amortized cost

11a Debt securities at amortized cost

	12/31/2023	12/31/2022 restated
Certificates of deposit	46	54
Interbank certificates and negotiable debt instruments	56,411	55,302
Bonds	79,420	70,429
Non-preferred senior securities	12,756	8,011
Related debt	1,643	763
TOTAL	**150,276**	**134,560**

11b Due to credit institutions

	12/31/2023	12/31/2022 restated
Other ordinary accounts	12,648	15,767
Borrowings	14,140	15,994
Other debt	6,348	4,583
Pensions[1]	25,569	44,802
Related debt	574	109
TOTAL	**59,280**	**81,256**

(1) As part of the monetary policy implemented by the Eurosystem, the group decided to participate in the TLTRO III (Targeted Longer-Term Refinancing Operation) launched in March 2020. Crédit Mutuel has therefore refinanced itself with the ECB under TLTRO III for an amount of €11,725 million at December 31, 2023.

11c Due to customers at amortized cost

	12/31/2023	12/31/2022 restated
Special savings accounts	61,031	66,322
■ demand	46,818	49,501
■ term	14,213	16,821
Related liabilities on savings accounts	7	3
Subtotal	**61,038**	**66,325**
Demand accounts	143,377	167,260
Term deposits and borrowings	93,872	49,919
Pensions	0	12
Related debt	1,009	151
Other debt	6	15
Subtotal	**238,264**	**217,357**
TOTAL	**299,302**	**283,682**

11d Netting of financial assets and liabilities

12/31/2023	Gross amount of financial assets	Gross amount of financial liabilities offset on balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets framework agreements	Financial instruments received as guarantee	Cash received (cash collateral)	
FINANCIAL ASSETS							
Derivatives	9,336	-1,431	7,905	-4,256	0	-1,597	2,052
Pensions	28,159	-2,523	25,636	0	-25,314	-268	53
TOTAL	**37,495**	**-3,954**	**33,541**	**-4,256**	**-25,314**	**-1,866**	**2,105**

12/31/2023	Gross amount of financial liabilities	Gross amount of financial assets offset on the balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets framework agreements	Financial instruments given as collateral	Cash paid out (cash collateral)	
FINANCIAL LIABILITIES							
Derivatives	11,289	-1,431	9,858	-4,166	0	-5,506	186
Pensions	39,511	-2,523	36,987	0	-36,539	-392	56
TOTAL	**50,800**	**-3,954**	**46,846**	**-4,166**	**-36,539**	**-5,899**	**242**

12/31/2022 restated	Gross amount of financial assets	Gross amount of financial liabilities offset on balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets framework agreements	Financial instruments received as guarantee	Cash received (cash collateral)	
FINANCIAL ASSETS							
Derivatives	24,415	-13,163	11,253	-5,300	0	-1,228	4,725
Pensions	27,780	-7,397	20,383	0	-20,015	-325	43
TOTAL	**52,195**	**-20,560**	**31,636**	**-5,300**	**-20,015**	**-1,553**	**4,768**

12/31/2022 restated	Gross amount of financial liabilities	Gross amount of financial assets offset on the balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets framework agreements	Financial instruments given as collateral	Cash paid out (cash collateral)	
FINANCIAL LIABILITIES							
Derivatives	26,722	-13,163	13,560	-5,291	0	-8,054	214
Pensions	62,006	-7,397	54,609	0	-53,354	-1,246	9
TOTAL	**88,728**	**-20,560**	**68,169**	**-5,291**	**-53,354**	**-9,300**	**223**

These disclosures, required by an amendment to IFRS 7, seek to provide a basis for comparison with the treatment under generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IFRS.

The amounts in the second column correspond to the accounting offset, under IAS 32, for transactions processed going through a clearing house. The "impact of offsets framework agreements" column corresponds to the outstanding transaction amounts pursuant to enforceable contracts that are not subject to accounting offsets. These include transactions for which the right to offset is exercised in case of the default, insolvency or bankruptcy of one of the parties to the contracts. They relate to derivatives and repurchase agreements, whether or not processed via clearing houses.

The "Financial instruments received/given in guarantee" column shows the market value of the securities exchanged as collateral. The "Cash received/paid (cash collateral)" column shows the guarantee deposits received or given in respect of the positive or negative market values of financial instruments. They are recognized in the balance sheet under loans and receivables due from credit institutions and customers on the assets side, and due to credit institutions and customers on the liabilities side.

Note 12 Gross values and movements in impairment provisions

12a Gross values subject to impairment

	12/31/2022 restated	Acquisition/ production	Sales/ repayments	Transfer	Other[1]	12/31/2023
Financial assets at amortized cost – loans and receivables due from credit institutions, subject to	**57,972**	**30,771**	**-25,874**	**-1**	**12**	**62,880**
■ 12-month expected losses (S1)	57,499	30,762	-25,602	-47	13	62,625
■ expected losses at termination (S2)	473	9	-272	46	-1	255
Financial assets at amortized cost – loans and receivables due from customers, subject to	**330,282**	**143,038**	**-129,706**	**-1**	**1,384**	**344,997**
■ 12-month expected losses (S1)	296,624	136,102	-118,147	-3,985	571	311,165
■ expected losses at termination (S2)	22,830	6,048	-8,282	403	234	21,232
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	10,607	858	-3,169	3,581	552	12,429
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	221	30	-108	0	27	171
Financial assets at amortized cost – securities	**3,463**	**1,496**	**-1,114**	**0**	**8**	**3,853**
■ 12-month expected losses (S1)	3,362	1,492	-1,094	-18	8	3,750
■ expected losses at termination (S2)	8	0	0	0	0	8
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	93	4	-20	18	0	95
Financial assets at fair value through equity – debt securities	**33,834**	**18,769**	**-15,900**	**0**	**-197**	**36,506**
■ 12-month expected losses (S1)	33,832	18,766	-15,900	-5	-197	36,496
■ expected losses at termination (S2)	2	0	0	5	0	7
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	0	3	0	0	0	3
TOTAL	**425,551**	**194,074**	**-172,594**	**-2**	**1,207**	**448,236**

(1) *Change in flows not giving rise to derecognition and miscellaneous flows.*

7

GROSS CARRYING AMOUNT OF EXPOSURES BY CATEGORY AND BY PROBABILITY OF DEFAULT INTERVAL (RECEIVABLES FROM CUSTOMERS)

By probability of default interval 12 months IFRS 9	Of which originated credit-impaired assets	With 12-month expected losses (S1)	With expected losses at termination (S2)	With expected losses on assets credit-impaired at the reporting date but not credit-impaired on initial recognition (S3)
<0.1	48	136,409	1,211	0
0.1-0.25	0	39,613	242	0
0.26-0.99	0	60,077	3,194	0
1-2.99	1	38,453	5,184	0
3-9.99	7	26,841	5,109	0
>= 10	183	9,772	6,292	12,429
TOTAL	**239**	**311,165**	**21,232**	**12,429**

12b Movements in impairment provisions

	12/31/2022 restated	Allowances	Reversals	Other	12/31/2023
Financial assets at amortized cost – loans and receivables due from credit institutions	**-3**	**-2**	**5**	**-2**	**-2**
■ 12-month expected losses (S1)	-2	-2	4	-2	-2
■ expected losses at termination (S2)	-1	0	1	0	0
Financial assets at amortized cost – loans and receivables due from customers	**-8,003**	**-4,502**	**3,909**	**-13**	**-8,609**
■ 12-month expected losses (S1)	-1,402	-881	907	4	-1,372
■ expected losses at termination (S2)	-1,299	-1,448	1,517	2	-1,228
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-5,302	-2,173	1,485	-19	-6,009
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at amortized cost – securities	**-66**	**-4**	**2**	**1**	**-67**
■ 12-month expected losses (S1)	-1	0	0	0	-1
■ expected losses at termination (S2)	-1	0	0	0	-1
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-64	-4	2	1	-65
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at FVOCI – debt securities	**-19**	**-25**	**21**	**0**	**-23**
■ 12-month expected losses (S1)	-19	-22	21	0	-20
■ expected losses at termination (S2)	0	0	0	0	0
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	0	-3	0	0	-3
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
TOTAL	**-8,091**	**-4,533**	**3,937**	**-14**	**-8,701**

The group conducted a sensitivity test of the cost of risk (including post-model adjustment). It is presented in note 1.

12c Breakdown of impairment

	Outstandings			Write down					
12/31/2023	**S1**	**S2**	**S3**	**S1**	**Of which adjustment[1]**	**S2**	**Of which adjustment[1]**	**S3**	**Net outstandings**
Loans and receivables due from credit institutions	62,625	255	0	-2	0	0	0	0	62,878
Loans and receivables due from customers	311,165	21,232	12,600	-1,372	-115	-1,228	-143	-6,009	336,388
Financial assets at amortized cost – securities	3,750	8	95	-1	0	-1	0	-65	3,786
Financial assets at FVOCI – Debt securities	36,496	7	3	-20	0	0	0	-3	36,483
Financial assets at FVOCI – Loans	0	0	0	0	0	0	0	0	0
TOTAL	**414,036**	**21,502**	**12,698**	**-1,395**	**-115**	**-1,229**	**-143**	**-6,077**	**439,535**

(1) Post-model adjustment.

	Outstandings			Write down					
12/31/2022	**S1**	**S2**	**S3**	**S1**	**Of which adjustment[1]**	**S2**	**Of which adjustment[1]**	**S3**	**Net outstandings**
Loans and receivables due from credit institutions	57,499	473	0	-3	0	-1	0	0	57,968
Loans and receivables due from customers	296,624	22,830	10,828	-1,402	-80	-1,299	-141	-5,302	322,279
Financial assets at amortized cost – securities	3,362	8	93	-1	0	-1	0	-64	3,397
Financial assets at FVOCI – Debt securities	33,832	2	0	-19	-2	0	0	-3	33,815
Financial assets at FVOCI – Loans	0	0	0	0	0	0	0	0	0
TOTAL	**391,317**	**23,313**	**10,921**	**-1,425**	**-82**	**-1,301**	**-141**	**-5,366**	**417,459**

(1) Post-model adjustment.

Note 13 Insurance activities

INVESTMENTS OF INSURANCE ACTIVITIES

Financial assets	12/31/2023	12/31/2022 restated
INSURANCE FINANCIAL INVESTMENTS		
Financial assets at fair value through profit or loss	49,920	45,755
Financial assets at fair value through equity	78,881	72,912
Loans and receivables at amortized cost	183	981
Debt instruments at amortized cost	0	0
Investment property [1]	2,768	3,194
Subtotal of insurance investments [2]	**131,752**	**122,842**
Assets of insurance contracts	15	18
Reinsurance contracts	312	328
TOTAL	**132,079**	**123,188**

(1) Investment property is recognized at fair value through profit or loss.
(2) Outstandings in stage 3 amounted to €18 million, fully impaired.

LIST OF MAIN NON-CONSOLIDATED EQUITY INVESTMENTS HELD BY INSURANCE COMPANIES

	-	% held	FV at 12/31/23	Shareholders' equity	Balance sheet total	NBI or Revenues	Net profit/ (loss)
Ardian Holding	Unlisted	16%	976	743	1,346	763	202
Desjardins	Unlisted	10%	393	3,062	10,641	4,138	329
Serenis Assurances	Unlisted	100%	76	N/A	N/A	N/A	N/A

The figures (except the percentage held) relate to fiscal year 2022 and are in millions of euros.

BREAKDOWN OF DEBT INSTRUMENTS HELD BY INSURANCE COMPANIES USING THE MEDIAN RATING METHOD

Median rating	% at 12/31/2023
AAA	25%
AA	41%
A	16%
BBB	14%
Not rated	4%
TOTAL	**100%**

13a Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022 restated			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**0**	**0**	**49,349**	**49,349**	**0**	**0**	**45,133**	**45,133**
■ Government securities	0	0	168	168	0	0	153	153
■ Bonds and other debt securities	0	0	28,606	28,606	0	0	25,421	25,421
Listed	*0*	*0*	*23,335*	*23,335*	*0*	*0*	*20,153*	*20,153*
Non-listed	*0*	*0*	*5,271*	*5,271*	*0*	*0*	*5,268*	*5,268*
of which UCIs	*0*	*0*	*26,425*	*26,425*	*0*	*0*	*22,764*	*22,764*
■ Shares and other capital instruments	0	0	20,575	20,575	0	0	19,556	19,556
Listed	*0*	*0*	*14,247*	*14,247*	*0*	*0*	*13,052*	*13,052*
Unlisted	*0*	*0*	*6,328*	*6,328*	*0*	*0*	*6,504*	*6,504*
■ Equity investments, shares in subsidiaries and associates and other long-term investments	0	0	0	0	0	0	3	3
Equity investments	*0*	*0*	*0*	*0*	*0*	*0*	*3*	*3*
Derivative instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating properties at fair value through profit or loss	**0**	**0**	**362**	**362**	**0**	**0**	**419**	**419**
Loans and receivables	**0**	**0**	**209**	**209**	**0**	**0**	**203**	**203**
TOTAL	**0**	**0**	**49,920**	**49,920**	**0**	**0**	**45,755**	**45,755**

13b Insurance financial assets at fair value through equity

	12/31/2023	12/31/2022 restated
Government securities	30,982	27,162
Bonds and other debt securities	37,492	35,209
■ Listed	36,927	34,683
■ Non-listed	565	526
Receivables related	0	0
Of which impaired debt securities (S3)	18	18
Debt securities subtotal, gross	**68,474**	**62,371**
Impairment of performing loans (S1/S2)	-24	-25
Other impairment (S3)	-18	-18
Debt securities subtotal, net	**68,432**	**62,328**
Loans	5,961	7,184
Receivables related	0	0
Gross subtotal loans and receivables	**5,961**	**7,184**
Impairment of performing loans (S1/S2)	-1	0
Other impairment (S3)	0	0
Net subtotal loans and receivables	**5,960**	**7,184**
Shares and other capital instruments	1,234	1,057
■ Listed	1,218	1,030
■ Non-listed	16	27
Long-term investments	3,255	2,343
■ Equity investments	2,504	1,604
■ Other long-term investments	0	0
■ Investments in subsidiaries and associates	751	739
Subtotal, equity instruments	**4,489**	**3,400**
TOTAL	**78,881**	**72,912**
Of which unrealized capital gains or losses recognized under shareholders' equity	45	36
Of which listed equity investments.	918	305

13c Distinction between insurance liabilities for remaining cover and incurred claims

	12/31/2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-18	0	0	0	0	-18
Insurance contract liabilities at the start of the period	106,026	72	986	3,402	95	110,581
Opening balance	**106,008**	**72**	**986**	**3,402**	**95**	**110,563**
A - Income from insurance activities	**-7,207**	**0**	**0**	**0**	**0**	**-7,207**
Claims and other insurance expenses incurred during the fiscal year	0	-47	1,725	4,385	33	6,097
Amortization of acquisition cash flows	14	0	0	0	0	14
Loss on onerous contracts	0	75	0	0	0	75
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-41	29	-26	-38
B - Expenses related to insurance activities	**14**	**28**	**1,684**	**4,415**	**8**	**6,147**
C - Investment component	**-6,406**	**0**	**6,406**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-13,600**	**28**	**8,090**	**4,415**	**8**	**-1,060**
Financial income or expense on insurance contracts issued OCI	3,183	0	15	84	3	3,284
Financial income or expense on insurance contracts issued outside OCI	5,675	2	11	46	1	5,736
Exchange rate effects	0	0	0	0	0	0
D- Total changes in income and in other comprehensive income	**-4,742**	**30**	**8,116**	**4,544**	**12**	**7,960**
Premiums received	13,798	0	0	0	0	13,798
Claims and expenses paid, including investment component	0	0	-8,034	-4,208	0	-12,241
Cash flow from contract acquisition	-27	0	0	0	0	-27
E - Total cash flow	**13,771**	**0**	**-8,034**	**-4,208**	**0**	**1,530**
F - Transfer to other balance sheet items	**2**	**0**	**18**	**-4**	**0**	**16**
Insurance contracts - assets	-16	0	1	0	0	-15
Insurance contracts - liabilities	115,055	102	1,085	3,735	106	120,084
CLOSING BALANCE (D + E + F)	**115,039**	**102**	**1,087**	**3,735**	**106**	**120,069**

	12/31/2022 restated					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-27	0	0	0	0	-26
Insurance contract liabilities at the start of the period	120,263	62	1,025	3,548	102	125,001
Opening balance	**120,237**	**62**	**1,026**	**3,548**	**102**	**124,974**
A - Income from insurance activities	**-7,004**	**0**	**0**	**0**	**0**	**-7,004**
Claims and other insurance expenses incurred during the fiscal year	0	-54	1,684	4,165	31	5,825
Amortization of acquisition cash flows	65	0	0	0	0	65
Loss on onerous contracts	0	80	0	0	0	80
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-15	66	-22	30
B - Expenses related to insurance activities	**65**	**26**	**1,669**	**4,231**	**9**	**6,000**
C - Investment component	**-5,533**	**0**	**5,533**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-12,473**	**26**	**7,203**	**4,231**	**9**	**-1,004**
Financial income or expense on insurance contracts issued OCI	-11,464	0	-109	-291	-12	-11,876
Financial income or expense on insurance contracts issued outside OCI	-2,701	0	9	11	0	-2,680
Exchange rate effects	0	0	0	0	0	0
D- Total changes in income and in other comprehensive income	**-26,637**	**26**	**7,102**	**3,951**	**-3**	**-15,560**
Premiums received	13,120	0	0	0	0	13,120
Claims and expenses paid, including investment component	0	0	-7,126	-4,002	0	-11,127
Cash flow from contract acquisition	-172	0	0	0	0	-172
E - Total cash flow	**12,949**	**0**	**-7,126**	**-4,002**	**0**	**1,821**
F - Transfer to other balance sheet items	**-541**	**-16**	**-16**	**-95**	**-4**	**-672**
Insurance contracts - assets	-18	0	0	0	0	-18
Insurance contracts - liabilities	106,026	72	986	3,402	95	110,581
CLOSING BALANCE (OPENING + D + E + F)	**106,008**	**72**	**986**	**3,402**	**95**	**110,563**

RECONCILIATION OF PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS

	12/31/2023				12/31/2022 restated			
	Closing balance	Related payables - CASH BASIS	Related receivables - CASH BASIS	Closing balance (including related payables and recei-vables)	Closing balance	Related payables - CASH BASIS	Related receivables– CASH BASIS	Closing balance (including related payables and recei-vables)
INSURANCE								
Assets of insurance contracts	-15	-	0	-15	-18	-	0	-18
Insurance contract liabilities	120,084	-558	-	119,526	110,581	-299	-	110,282
TOTAL PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS	**120,069**	**-558**	**0**	**119,511**	**110,563**	**-299**	**0**	**110,264**
Reinsurance	-	-	-	-	-	-	-	-
Reinsurance treaty assets	414	-	-102	312	385	-	-57	328
Reinsurance treaty liabilities	0	0	-	0	0	0	-	0
TOTAL PAYABLES AND RECEIVABLES RELATED TO REINSURANCE TREATIES	**414**	**0**	**-102**	**312**	**385**	**0**	**-57**	**328**

13d Distinction of insurance liabilities (BE, RA, CSM)

	12/31/2023			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-51	16	18	-18
Insurance contract liabilities at the start of the period	98,654	1,511	6,491	106,656
Opening balance	**98,603**	**1,527**	**6,509**	**106,638**
Change in contractual service margin recognized in income	0	0	-697	-697
Change in the adjustment for non-financial risk over the period	0	-136	0	-136
Experience adjustment	-38	18	0	-20
Changes in services rendered during the period	**-38**	**-118**	**-697**	**-854**
Contracts recognized during the period	-247	123	166	42
Changes in estimates resulting in an adjustment of the contractual service margin	-1,967	192	1,774	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	-34	6	0	-28
Changes in future services	**-2,248**	**321**	**1,940**	**14**
Changes in fulfillment cash flows in respect of incurred claims	-29	-13	0	-41
Changes related to past services	**-29**	**-13**	**0**	**-41**
Insurance service result	**-2,314**	**190**	**1,243**	**-881**
Effect of rates neutralized in OCI	3,132	64	0	3,196
Financial expenses net of insurance contracts (excluding OCI)	5,660	13	18	5,690
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**6,477**	**267**	**1,260**	**8,005**
Premiums received	8,978	0	0	8,978
Claims and expenses paid, including investment component	-8,037	0	0	-8,037
Cash flow from contract acquisition	-27	0	0	-27
TOTAL CASH FLOW	**914**	**0**	**0**	**914**
Transfer to other balance sheet items	**18**	**5**	**-9**	**14**
Insurance contract assets at closing	-60	18	27	-15
Insurance contract liabilities at closing	106,072	1,781	7,734	115,587
CLOSING BALANCE	**106,012**	**1,799**	**7,761**	**115,572**

	12/31/2022 restated			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-48	14	8	-26
Insurance contract liabilities at the start of the period	114,252	1,368	5,364	120,985
Opening balance	**114,204**	**1,382**	**5,373**	**120,959**
Change in contractual service margin recognized in income	0	0	-683	-683
Change in the adjustment for non-financial risk over the period	0	-116	0	-116
Experience adjustment	-94	17	0	-78
Changes in services rendered during the period	**-94**	**-99**	**-683**	**-876**
Contracts recognized during the period	-334	177	185	29
Changes in estimates resulting in an adjustment of the contractual service margin	-2,024	384	1,640	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	52	-37	0	15
Changes in future services	**-2,306**	**524**	**1,825**	**43**
Changes in fulfillment cash flows in respect of incurred claims	-2	-12	0	-15
Changes related to past services	**-2**	**-12**	**0**	**-15**
Insurance service result	**-2,402**	**412**	**1,142**	**-848**
Effect of rates neutralized in OCI	-11,324	-249	0	-11,572
Financial expenses net of insurance contracts (excluding OCI)	-2,715	7	16	-2,692
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**-16,441**	**171**	**1,158**	**-15,112**
Premiums received	8,544	0	0	8,544
Claims and expenses paid, including investment component	-7,170	0	0	-7,170
Cash flow from contract acquisition	-68	0	0	-68
TOTAL CASH FLOW	**1,305**	**0**	**0**	**1,305**
Transfer to other balance sheet items	**-465**	**-26**	**-22**	**-513**
Insurance contract assets at closing	-51	16	18	-18
Insurance contract liabilities at closing	98,654	1,511	6,492	106,656
CLOSING BALANCE	**98,602**	**1,527**	**6,509**	**106,638**

13e Insurance liabilities initially recognized during the period

	12/31/2023		
	Profitable contracts issued	Loss-making contracts issued	Total
Insurance acquisition cash flows	11	15	26
Expected claims and other expenses related to insurance activities	3,183	769	3,952
Estimates of present value of future cash outflows	**3,193**	**784**	**3,978**
Estimates of present value of future cash inflows	-3,391	-833	-4,224
Risk adjustment for non-financial risk	32	91	123
Contractual Service Margin	166	0	166
Losses on insurance contracts initially held and recognized during the period	**0**	**43**	**43**

	12/31/2022 restated		
	Profitable contracts issued	Loss-making contracts issued	Total
Insurance acquisition cash flows	14	6	20
Expected claims and other expenses related to insurance activities	4,215	509	4,724
Estimates of present value of future cash outflows	**4,228**	**515**	**4,743**
Estimates of present value of future cash inflows	-4,525	-541	-5,066
Risk adjustment for non-financial risk	122	55	177
Contractual Service Margin	175	0	175
Losses on insurance contracts initially held and recognized during the period	**0**	**29**	**29**

13f Underlying items of VFA contracts

UNDERLYING ITEMS OF INSURANCE CONTRACTS WITH DIRECT PARTICIPATION FEATURES

	12/31/2023	12/31/2022 restated
FINANCIAL INVESTMENTS		
Fair value through equity	**68,974**	**65,444**
Government and equivalent securities	25,152	22,000
Bonds and other debt securities	32,900	30,715
Shares and other equity instruments	0	1,441
Investments and other long-term securities	1,609	1,383
Investments in subsidiaries and associates	203	200
Loans and receivables	9,110	9,705
Fair value through profit or loss	**53,033**	**47,474**
Government and equivalent securities	157	143
Bonds and other debt securities	29,720	26,748
Shares and other equity instruments	20,057	17,108
Investments and other long-term securities	0	0
Investments in subsidiaries and associates	0	0
Loans and receivables	260	190
Derivatives and other financial assets – trading	0	0
Operating properties OFVPL	328	378
Non-operating properties OFVPL	2,511	2,907
Hedging derivatives	**0**	**0**
Amortized cost	**298**	**1,241**
Loans and receivables to credit institutions	298	1,241
Other assets	**45**	**32**
Current tax assets	3	6
Other assets	28	16
Accruals - Assets	14	10
TOTAL FINANCIAL INVESTMENTS	**122,350**	**114,191**
FINANCIAL LIABILITIES		
Fair value through profit or loss	**8,875**	**9,591**
Derivatives and other financial liabilities – Trading	61	117
Due to credit institutions and similar entities	8,814	9,474
Deposits from customers - Other - Term	0	0
Other liabilities	**128**	**165**
Other liabilities	33	38
Deferred tax liabilities	95	127
Accruals - Liabilities	0	0
TOTAL FINANCIAL LIABILITIES	**9,003**	**9,756**

13g CSM schedule - Insurance

	12/31/2023				12/31/2022 restated			
	Between 0 and 5 years	Between 5 and 10 years	Over 10 years	TOTAL	Between 0 and 5 years	Between 5 and 10 years	Over 10 years	TOTAL
CSM Insurance contract	3,537	2,673	1,551	7,761	3,239	2,372	898	6,509
CSM Reinsurance contract	20	12	17	49	24	14	18	56

13h Impact of applying the modified retrospective method on CSM and income from insurance activities in subsequent periods

INSURANCE CONTRACTS ISSUED

	12/31/2023	12/31/2022 restated
INSURANCE INCOME		
New contracts and contracts measured using the full retrospective approach (FRA) at transition date	2,402	2,109
Contracts and contracts measured using the modified retrospective approach (MRA) at transition date	975	1,022
Insurance contracts recorded under the fair value approach (FVA) at transition date	277	375
TOTAL	**3,654**	**3,506**

	12/31/2023	12/31/2022 restated
CSM		
New contracts and contracts measured using the full retrospective approach (FRA) at transition date	135	61
Contracts and contracts measured using the modified retrospective approach (MRA) at transition date	844	855
Insurance contracts recorded under the fair value approach (FVA) at transition date	259	304
TOTAL	**1,239**	**1,220**

These tables only concern personal insurance contracts.

13i Monitoring of CSM flows using the transition method

INSURANCE CONTRACTS

	12/31/2023			12/31/2022 restated		
	Insurance contracts recorded under the modified retrospective approach (MRA)	Insurance contracts recorded under the fair value approach (FVA)	Other contracts	Insurance contracts recorded under the modified retrospective approach (MRA)	Insurance contracts recorded under the fair value approach (FVA)	Other contracts
CSM at the start of the period	**855**	**304**	**61**	**1,149**	**381**	**-**
Change in contractual service margin recognized in income for services rendered	-100	-34	-12	-104	-42	-6
Changes related to past services	**-100**	**-34**	**-12**	**-104**	**-42**	**-6**
Changes in estimates resulting in an adjustment of the contractual service margin	76	-8	9	-206	-26	-67
Contracts recognized during the period	-	-	77	-	-	142
Changes in future services	**76**	**-8**	**86**	**-206**	**-26**	**74**
Financial expenses on contracts issued	14	1	2	16	-0	-0
TOTAL ITEMS RECOGNIZED IN OCI	**14**	**1**	**2**	**16**	**-0**	**-0**
Transfer to other balance sheet items	-	-4	-2	-	-9	-7
CSM at the end of the period	**844**	**259**	**135**	**855**	**304**	**61**

Insurance risk management

Insurance risk management covers all the risks taken by an insurer when marketing insurance contracts.

The inverted cycle that characterizes the insurance sector means that this technical risk must be monitored over the long term.

The Group's insurance entities develop and market a comprehensive range of insurance products, mainly for retail and professional customers.

Insurance risk management is based on the following main pillars:

- the business line divisions, which handle sales development and pricing to ensure that premiums are sufficient to cover future claims;
- the actuarial-technical reserves department, which coordinates the calculation of reserves for the company's balance sheet;
- the Solvency II team, which is responsible for regulatory calculations and associated sensitivities;
- management control, whose reporting and in-depth analyses make it possible to monitor insurance risk over time across all business lines;
- the reinsurance department, which identifies all the risks to be outsourced, defines the appropriate cover program and places it on the market;
- the key actuarial function, which coordinates the actuarial work of the various business divisions, coordinates the calculation of prudential technical reserves, and issues an opinion on overall underwriting policy and the adequacy of reinsurance arrangements;
- the key risk management function, responsible for coordinating the risk management system.

CONCENTRATION ANALYSIS

	12/31/2023
France	108,739
Other	1,663
TOTAL	**110,402**

SENSITIVITY ANALYSIS

	12/31/2023	
	Impact on net income	Impact on shareholders' equity
Massive buybacks of 10%	**3**	**10**
Insurance contracts	3	10
Financial instruments	0	0

CHANGE IN ESTIMATED TOTAL UNDISCOUNTED COST OF CLAIMS BY YEAR OF OCCURRENCE

	At the end of the period	At one year	At two years	At three years	At four years	At five years	Cumulative paid claims	Estimated future cash flows for claims incurred
Past events	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,428**
2018	-	-	-	2,411	2,414	2,432	2,214	218
2019	-	-	2,666	2,659	2,649	-	2,397	252
2020	-	2,885	2,774	2,757	-	-	2,412	345
2021	3,039	2,988	2,942	-	-	-	2,455	487
2022	3,404	3,465	-	-	-	-	2,633	833
2023	3,601	-	-	-	-	-	2,016	1,585
Total events	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,148**
Estimated future cash flows for claims handling costs incurred	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**237**
Effect of discounting	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-613**
Estimated future cash flows for claims incurred presented in the balance sheet	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,772**

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INTEREST RATE RISK ON INSURANCE CONTRACTS

	12/31/2023		
	Impact on net income	Impact on shareholders' equity	Impact on CSM
50 bp increase in risk-free rates	**-4**	**-182**	**166**
Insurance contracts	202	1,534	166
Reinsurance contracts	0	-9	0
Financial instruments	-206	-1,707	0
50 bp decrease in risk-free rates	**6**	**207**	**-282**
Insurance contracts	-201	-1,605	-282
Reinsurance contracts	0	10	0
Financial instruments	207	1,802	0

EQUITY RISK SENSITIVITY ANALYSIS

	12/31/2023		
	Impact on net income	Impact on shareholders' equity	Impact on CSM
20% decrease in share price	**-43**	**-218**	**-493**
Insurance contracts	4,278	43	-493
Reinsurance contracts	0	0	0
Financial instruments	-4,321	-261	0

MATURITY ANALYSIS - ESTIMATE OF THE PRESENT VALUE OF FUTURE CASH FLOWS

	12/31/2023				
	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	TOTAL
Insurance contracts	-	-	-	-	-
Assets	0	0	0	0	0
Liabilities	1,857	3,002	10,393	92,559	107,811
TOTAL	**1,857**	**3,002**	**10,393**	**92,559**	**107,811**

AMOUNTS PAYABLE ON DEMAND

Amounts payable on demand, corresponding to the cash surrender value of insurance contracts, and their carrying amounts are presented as follows:

	12/31/2023
Amounts payable on demand	100,734
Carrying amount	113,567

IFRS 17 YIELD CURVES

Future cash flows are discounted using the yield curve below. This reflects the time value of money as well as the cash flow and liquidity characteristics of GACM's insurance contracts.

	12/31/2023	12/31/2022 restated
1-year rate	4.0%	3.9%
5-year rate	3.0%	3.8%
10-year rate	3.1%	3.8%
20-year rate	3.1%	3.5%
30-year rate	3.0%	3.2%

Note 14 Tax

14a Current tax

	12/31/2023	12/31/2022 restated
Assets (through profit or loss)	1,076	971
Liabilities (through profit or loss)	532	387

14b Deferred tax

	12/31/2023	12/31/2022 restated
Assets (through profit or loss)	530	508
Assets (through shareholders' equity)	322	423
Liabilities (through profit or loss)	428	401
Liabilities (through shareholders' equity)	25	50

ANALYSIS OF DEFERRED TAXES BY MAJOR CATEGORIES

	12/31/2023		12/31/2022 restated	
	Assets	Liabilities	Assets	Liabilities
Tax loss carried forward	-	-	-	-
Temporary differences in	-	-	-	-
■ impairment of financial assets	390	-	422	-
■ finance leasing reserve	-	329	-	344
■ revaluation of financial instruments	1,576	2,549	2,695	2,317
■ accrued expenses and accrued income	298	67	246	75
■ earnings of flow-through entities	-	-	-	-
■ Insurance	2,120	1,195	1,718	2,036
■ other temporary differences	113	2	112	-17
■ tax deficits	44	-	41	-
Offsets	-3,690	-3,690	-4,305	-4,305
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	**852**	**453**	**931**	**451**

Deferred taxes are calculated according to the variable carry-forward principles.

Note 15 Accruals and miscellaneous assets and liabilities

15a Accruals and miscellaneous assets

	12/31/2023	12/31/2022 restated
ACCRUALS		
Collection accounts	116	89
Currency adjustment accounts	23	30
Accrued income	601	527
Other accruals	2,015	2,524
Subtotal	**2,755**	**3,170**
OTHER ASSETS		
Securities settlement accounts	135	115
Miscellaneous receivables	4,643	4,031
Inventories and similar	43	34
Other	4	5
Subtotal	**4,825**	**4,185**
TOTAL	**7,580**	**7,355**

15b Accruals and miscellaneous liabilities

	12/31/2023	12/31/2022 restated
ACCRUALS		
Accounts unavailable due to recovery procedures	400	338
Currency adjustment accounts	1,672	1,365
Accrued expenses	1,437	1,283
Deferred income	637	529
Other accruals	2,952	3,770
Subtotal	**7,098**	**7,285**
OTHER LIABILITIES		
Lease obligations – Real estate	714	665
Lease obligations – Other	13	6
Securities settlement accounts	682	963
Outstanding amounts payable on securities	262	351
Miscellaneous creditors	2,165	2,004
Subtotal	**3,836**	**3,989**
TOTAL	**10,934**	**11,274**

15c Lease liabilities by residual term

12/31/2023	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	126	219	223	93	66	727
■ Real estate	124	217	214	93	66	714
■ Other	2	2	9	0	0	13

12/31/2022 restated	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	166	190	178	78	60	671
■ Real estate	164	189	175	78	60	665
■ Other	2	1	3	0	0	6

Note 16 Investments in equity consolidated companies

16a Share of net income of equity consolidated companies

12/31/2023	Country	Share held	Value of equity consolidation	Share of net income	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	150	16	7	151
Euro-Information	France	26.81%	687	30	1	NC*
Euro Protection Surveillance	France	22.25%	11	5	14	NC*
LYF SA	France	43.75%	7	0	0	NC*
SCI La Tréflière	France	46.09%	9	-1	0	NC*
Other equity investments	-	-	1	0	0	NC*
TOTAL	**-**	**-**	**865**	**51**	**22**	**-**

**NC: Not communicated*

12/31/2022 restated	Country	Share held	Value of equity consolidation	Share of net income	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	149	17	6	149
Euro-Information	France	26.36%	645	31	1	NC*
Euro Protection Surveillance	France	22.25%	9	7	12	NC*
LYF SA	France	43.75%	7	0	0	NC*
SCI La Tréflière	France	46.09%	10	0	0	NC*
Other equity investments	-	-	1	0	0	NC*
TOTAL	**-**	**-**	**821**	**56**	**19**	**-**

**NC: Not communicated*

16b Financial data published by the main equity consolidated companies ECC

	12/31/2023					
	Balance sheet total	NBI or Revenues	GOI	Net income	OCI reserves	Shareholders' equity
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie [1] [2]	7,211	424	280	166	NC*	1,207
Euro-Information [1]	2,341	1,525	133	135	0	2,134
Euro Protection Surveillance [1]	202	251	44	31	0	127
LYF SA	27	2	0	0	0	16
SCI La Tréflière	47	3	-1	-1	0	18

(1) 2022 amounts.
(2) In millions of Tunisian Dinar.
**NC: Not communicated*

	12/31/2022					
	Balance sheet total	NBI or Revenues	GOI	Net income	OCI reserves	Shareholders' equity
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie [1] [2]	6,630	378	245	161	NC*	1,103
Euro-Information [1]	2,185	1,422	117	285	0	1,999
Euro Protection Surveillance [1]	172	202	38	26	0	108
LYF SA	24	1	0	0	0	15
SCI La Tréflière	49	3	0	0	0	19

(1) 2021 amounts.
(2) In millions of Tunisian Dinar.
**NC: Not communicated*

Note 17 Investment property

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
Historical cost	67	3	-9	12	72
Depreciation and impairment	-38	-2	0	5	-35
NET AMOUNT	**28**	**2**	**-9**	**17**	**38**

The fair value of investment property carried at amortized cost is comparable to its carrying amount.

Note 18 Property, plant and equipment and intangible assets

18a Property, plant and equipment

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
HISTORICAL COST					
Operating sites	461	7	-5	-1	462
Operating buildings	3,012	89	-179	2	2,924
Usage rights – Real estate	1,154	159	-32	55	1,336
Usage rights – Other	9	2	-1	6	16
Other property, plant and equipment	1,221	157	-119	1	1,260
TOTAL	**5,857**	**414**	**-336**	**63**	**5,998**
DEPRECIATION AND IMPAIRMENT					
Operating sites	15	-2	0	1	-16
Operating buildings	-2,081	-86	163	-1	-2,005
Usage rights – Real estate	-504	-157	23	-2	-640
Usage rights – Other	-3	-1	1	0	-3
Other property, plant and equipment	-915	-50	59	-2	-908
TOTAL	**-3,518**	**-296**	**246**	**-4**	**-3,572**
NET AMOUNT	**2,339**	**118**	**-88**	**57**	**2,426**

18b Intangible assets

	12/31/2022 restated	Increase	Decrease	Other	12/31/2023
HISTORICAL COST					
Internally developed intangible assets [1]	291	7	-2	0	296
Purchased intangible assets	1,030	52	-27	5	1,060
■ software	260	21	-10	23	294
■ other	769	31	-17	-17	766
TOTAL	**1,320**	**59**	**-29**	**6**	**1,356**
DEPRECIATION AND IMPAIRMENT					
Internally developed intangible assets [1]	-281	-4	2	-1	-284
Purchased intangible assets	-568	-52	14	-4	-610
■ software	-213	-23	10	-21	-247
■ other	-355	-29	4	17	-363
TOTAL	**-849**	**-56**	**16**	**-5**	**-894**
NET AMOUNT	**471**	**3**	**-13**	**1**	**462**

(1) These headings correspond to software developed internally and capitalized in our subsidiaries Euro-Information and TARGOBANK AG.

7

Note 19 Goodwill

	12/31/2022 restated	Increase	Decrease	Variation in impairment	Other	12/31/2023
Gross goodwill	4,502	2	-	-	-	4,504
Write down	-2,393	-	-	-	-	-2,393
NET GOODWILL	**2,109**	**-**	**-**	**-**	**-**	**2,111**

Cash-generating units	Value of goodwill on 12/31/2022 restated	Increase	Decrease	Variation in impairment	Other	Value of goodwill on 12/31/2023
TARGOBANK in Germany	1,018	-	-	-	-	1,018
Crédit Industriel et Commercial (CIC)	506	-	-	-	-	506
Cofidis Group	378	-	-	-	-	378
Cofidis France	79	-	-	-	-	79
GACM Seguros, Compañía de Seguros y Reaseguros, Sau	0	-	-	-	-	0
EBRA	33	2	-	-	-	35
SIIC Foncière Massena	26	-	-	-	-	26
Crédit Mutuel Equity SCR	21	-	-	-	-	21
Banque de Luxembourg	13	-	-	-	-	13
Agrupació AMCI d'Assegurances i Reassegurances SA	0	-	-	-	-	0
Cofidis Italy	9	-	-	-	-	9
Banque Transatlantique	6	-	-	-	-	6
Dubly Transatlantique Gestion	5	-	-	-	-	5
Other	15	-	-	-	-	15
TOTAL	**2,109**	**2**	**0**	**0**	**0**	**2,111**

The cash-generating units to which the goodwill is assigned are tested annually to ensure that they are recoverable. Impairment is ascertained by depreciation of goodwill when the recoverable amount is less than the carrying amount. The current economic situation, its consequences on net profit at December 31, 2023, and the macroeconomic uncertainties for the following years, have led the group to identify potential indications of impairment of goodwill. As a result, the group has updated the impairment tests for its main subsidiaries.

The recoverable amount is determined according to two types of methods:

- *the fair value net of sales costs, which is based on observation of valuation multiples on comparable transactions or market parameters adopted by the analysts on entities with similar activities;*
- *the value in use, which is based on the discounting of expected future cash flows after taking into account capital requirements: this method is generally used as at December 31, 2023.*

To determine the value in use, the cash flows are based on business plans prepared by the management for a maximum period of five to seven years, then on projection of a flow to infinity according to a long-term growth rate. The latter is set at 2% for the whole of Europe, which is an assumption measured against inflation rates observed over a very long period.

The cash flows used to calculate the value in use also take into account prudential capital requirements.

The cash flow discount rates correspond to the cost of capital, which is determined from a long-term riskless rate, to which a risk premium is added. The risk premium is determined by observing the sensitivity of the price in relation to the market in the case of a listed asset, or by analyst estimates in the case of non-listed assets. The cost of capital was discounted on December 31, 2023 with:

- *9.5% for Retail Banking and leasing CGUs based in Germany*
- *10% for Retail Banking, consumer credit and leasing CGUs based in France*

The cash flows used to calculate the value in use are determined on the basis of regulatory capital requirements.

The main sensitivity factors of the recoverable amount test based on the value in use are the discount rate and the expected level of future cash flows, which is itself impacted by the following sensitivity factors:

- *the achievement of business plans;*
- *the level of shareholders' equity allocated to each CGU;*
- *the perpetual growth rate;*

When the value in use was used as an impairment test, the parameters and their sensitivity were as follows:

	TARGOBANK in Germany	Cofidis [1]	CIC
	Network bank	Consumer loan	Network bank
Cost of capital	9.5%	10%	10%
Effect of a 50 basis point increase in the cost of capital	-5%	-6%	-5%
Effect of a 50 basis point drop in the growth rate to infinity	-1%	-2%	-1%
Effect of a 50 basis point increase in CET1 capital requirements	-4%	-5%	-4%

(1) Cofidis France and Cofidis Group.

If the above sensitivity assumptions were used, this would not entail any impairment of goodwill on TARGOBANK in Germany, Cofidis and CIC.

Note 20 Provisions and contingent liabilities

20a Provisions

	12/31/2022 restated	Additions for the year	Reversals for the year (utilized provisions)	Reversals for the year (surplus provisions)	Other changes	12/31/2023
Provisions for risks	**472**	**337**	**-38**	**-272**	**24**	**523**
On guarantee commitments [2]	***262***	***181***	***0***	***-150***	***1***	***294***
■ of which 12-month expected losses (S1)	59	43	0	-38	0	64
■ of which expected losses at termination (S2)	71	59	0	-52	-1	77
■ of which provisions for execution of commitments upon signature	132	79	0	-60	2	153
On financing commitments [2]	***99***	***116***	***-6***	***-101***	***-2***	***106***
■ of which 12-month expected losses (S1)	72	75	0	-69	0	78
■ of which expected losses at termination (S2)	23	31	0	-32	-2	20
On country risks	***0***	***0***	***0***	***0***	***0***	***0***
Provisions for taxes	***7***	***5***	***-4***	***0***	***-3***	***5***
Provisions for claims and litigation	***48***	***10***	***-8***	***-7***	***2***	***45***
Provision for risk on miscellaneous receivables	***56***	***25***	***-21***	***-14***	***26***	***72***
Other provisions	**1,227**	**297**	**-51**	**-133**	**-59**	**1,281**
■ Provisions for mortgage saving agreements	87	1	0	-8	0	80
■ Provisions for miscellaneous contingencies	695	200	-36	-110	-36	713
■ Other provisions[1]	445	96	-15	-15	-23	488
Provisions for retirement commitments [2]	**755**	**124**	**-39**	**-14**	**110**	**936**
TOTAL	**2,454**	**758**	**-128**	**-419**	**-75**	**2,740**

(1) Other provisions relate to provisions for French economic interest groups (SPV) totaling €447 million.
(2) This item includes a post-model adjustment - see note 1 - Accounting principles.

20b Retirement and other employee benefits

	12/31/2022 restated	Additions for the year	Reversals for the year	Other changes	12/31/2023
DEFINED-BENEFIT PLANS NOT COVERED BY PENSION FUNDS:					
Retirement benefits	610	103	-40	112	785
Supplementary pensions	54	6	-9	7	58
Obligations for long service awards (other long-term benefits)	70	15	0	-1	84
Subtotal recognized	**734**	**124**	**-49**	**118**	**927**
SUPPLEMENTARY DEFINED-BENEFIT PENSIONS COVERED BY THE GROUP'S PENSION FUNDS:					
Commitments to employees and retirees [1]	21	0	-4	-8	9
Fair value of assets	-	-	-	-	-
Subtotal recognized	**21**	**0**	**-4**	**-8**	**9**
Other commitments	0	0	0	0	0
TOTAL AMOUNT RECOGNIZED	**755**	**124**	**-53**	**110**	**936**

Defined-benefit plans: Main actuarial assumptions	12/31/2023	12/31/2022 restated
Discount rate [2]	3.19%	3.40%
Expected increase in salaries [3]	Minimum 2.65%	Minimum 1%

(1) The provisions covering shortfalls in pension funds relate to entities located abroad.
(2) The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the Iboxx index.
(3) The annual increase in salaries is the estimate of future inflation combined with the increase in salaries; it also depends on the age of the employee.

7

CHANGE IN THE PROVISION FOR RETIREMENT BENEFITS

	12/31/2022	Effect of discounting	Financial income	Cost of services rendered	Experience-related actuarial gains and losses	Actuarial gains and losses relating to changes in assumptions: Demographics	Actuarial gains and losses relating to changes in assumptions: financial	Payments to beneficiaries	Employer to the plan	Mobility transfer	Other	12/31/2023
Commitments	1,024	34	1	46	0	21	78	-39	-6	-2	29	1,197
Non-group insurance contracts and externally-managed assets	415	1	14	0	0	0	1	0	-19	0	0	412
Provisions	609	33	-13	46	0	21	77	-39	14	-2	29	785

DISCOUNT RATE SENSITIVITY

Liabilities at 2.69% (-50 bp)	Liabilities at 3.69% (+50 bp)	Duration
53	-109	17

	12/31/2021	Effect of discounting	Financial income	Cost of services rendered	Experience-related actuarial gains and losses	Actuarial gains and losses relating to changes in assumptions: Demographics	Actuarial gains and losses relating to changes in assumptions: financial	Payments to beneficiaries	Employer to the plan	Mobility transfer	Other	12/31/2022
Commitments	1,365	11	0	49	0	6	-394	-41	-6	-4	38	1,024
Non-group insurance contracts and externally-managed assets	456	0	5	0	0	0	-40	0	2	0	-8	415
Provisions	909	11	-4	49	0	6	-354	-41	-8	-4	46	609

VARIATION IN THE FAIR VALUE OF THE ASSETS OF THE PLAN

	Fair value of assets 12/31/2022	Effect of discounting	Actuarial gains and losses	Yield of plan assets	Member contributions to the plan	Employer contributions	Payments to beneficiaries	Exchange rate effects	Other	Fair value of assets 12/31/2023
Fair value of plan assets	685	0	1	25	-20	1	-8	0	-76	608

BREAKDOWN OF FAIR VALUE OF PLAN ASSETS

	Assets quoted on an active market				Assets not quoted on an active market			
	Debt securities	Equity instruments	Real estate	Other	Debt securities	Equity instruments	Real estate	Other
Composition of the assets of the plan	53%	27%	0%	17%	0%	1%	1%	0%

20c Provisions for risks arising from commitments on mortgage saving agreements

	12/31/2023	12/31/2022
MORTGAGE SAVING PLANS (PEL)		
Maturity < 10 years	2,508	7,694
Maturity > 10 years	7,832	3,903
TOTAL	**10,340**	**11,597**
Amounts outstanding under mortgage saving accounts (CEL)	841	782
TOTAL MORTGAGE SAVING AGREEMENTS (ACCOUNTS AND PLANS)	**11,181**	**12,379**

LOANS UNDER MORTGAGE SAVING AGREEMENTS

	12/31/2023	12/31/2022
Loans under mortgage saving agreements for which provisions for risks have been recognized in assets	14	6

PROVISIONS ON MORTGAGE SAVING AGREEMENTS

	12/31/2022	Net allocations/ reversals	Other changes	12/31/2023
On mortgage saving accounts	-	-	-	-
On mortgage saving plans	87	-7	-	80
On loans under mortgage saving agreements	0	0	-	-
TOTAL	**87**	**-7**	**-**	**80**
PROVISIONS FOR MORTGAGE SAVING PLANS, BY MATURITY				
Maturity < 10 years	17	-6	-	11
Maturity > 10 years	70	-1	-	69
TOTAL	**87**	**-7**	**-**	**80**

Mortgage savings accounts ("CEL") and mortgage savings plans ("PEL") are government-regulated retail products available in France. In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate for the distributor institution two types of commitments:

- future compensation from savings at a fixed rate (only for PELs, the remuneration rate for CELs is similar to a variable rate that is periodically revised based on an indexation formula);
- a loan agreement with customers who request it, under predefined conditions (PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.

A provision is made as a liability in the balance sheet to cover future expenses related to the potentially unfavorable conditions of these products, compared to the interest rates offered to individual customers for similar products, but which are not regulated in terms of compensation. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL (mortgage savings plans). The impact on income is recorded under interest paid to customers.

Note 21 Subordinated debt

	12/31/2023	12/31/2022 restated
Subordinated debt	10,709	9,132
Participating loans	20	20
Perpetual subordinated debt	1,095	1,095
Other debt	0	0
Related debt	179	114
TOTAL	**12,003**	**10,361**

PRINCIPAL SUBORDINATED DEBT

(in € millions)	Type	Issue Date	Issue Amount	Amount at year-end [1]	Rate	Term
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	03/10/2014	€120m	€120m	4.25	06/27/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	05/21/2014	€1,000m	€990m	3.00	05/21/2024
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	09/11/2015	€1,000m	€969m	3.00	09/11/2025
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	03/24/2016	€1,000m	€953m	2.375	03/24/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	09/12/2016	€300m	€300m	2.130	09/12/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	11/04/2016	€700m	€658m	1.875	11/04/2026
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	03/31/2017	€500m	€473m	2.625	03/31/2027
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	11/15/2017	€500m	€470m	1.625	11/15/2027
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	05/25/2018	€500m	€472m	2.500	05/25/2028
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	06/18/2019	€1,000m	€1,000m	1.875	06/18/2029
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	11/19/2021	€750m	€628m	1.125	11/19/2031
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	06/16/2022	€1,250m	€1,219m	3.875	06/16/2032
Banque Fédérative du Crédit Mutuel	redeemable subordinated notes/TSR	01/11/2023	€1,250m	€1,308m	5.125	01/11/2033
Assurances du Crédit Mutuel	redeemable subordinated notes/TSR	06/04/2014	€150m	€150m	4.625	06/04/2024
Assurances du Crédit Mutuel	redeemable subordinated notes/TSR	10/21/2021	€750m	€758m	1.85	04/21/2042
CIC	Participatory	05/28/1985	€137m	€8m	[2]	[3]
Banque Fédérative du Crédit Mutuel	Borrowings	12/28/2005	€500m	€500m	[4]	TBD
Banque Fédérative du Crédit Mutuel	TSS	11/09/2004	€66m	€66m	CMS10 cap 8	TBD
Banque Fédérative du Crédit Mutuel	TSS	12/15/2004	€436m	€419m	[5]	TBD
Banque Fédérative du Crédit Mutuel	TSS	02/25/2005	€92m	€92m	[6]	TBD

(1) Net intra-group amounts and revaluation differences on hedged instruments.

(2) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.

** For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the €STR (Regulation (EU) 2021/1848 of October 21, 2021).*

(1) Non-depreciable, but reimbursable at borrower's discretion as of May 28, 1997 at 130% of the nominal value revalued by 1.5% per year for future years.

(2) Euribor 1 year +0.3 basis points.

(3) CMS 10 years ISDA CIC +10 basis points.

(4) CMS 10 years ISDA +10 basis points.

Note 22 Reserves related to capital and reserves

22a Shareholders' equity attributable to the group (excluding profit and loss and unrealized gains and losses)

	12/31/2023	12/31/2022 restated
Capital and reserves related to capital	6,568	6,495
■ Capital	1,715	1,711
■ Issue premium, contribution, merger, split, conversion	4,853	4,784
Consolidated reserves	28,011	25,738
■ Regulated reserves	9	9
■ Other reserves (including effects related to initial application)	28,001	25,729
■ of which profit on disposal of equity instruments	149	135
■ of which Retained earnings	1	0
TOTAL	**34,579**	**32,233**

22b Unrealized or deferred gains and losses

	12/31/2023	12/31/2022 restated
Unrealized or deferred gains or losses [1] relating to:	-	-
■ Investments of insurance activities in FVTPL – Debt instruments	-603	-661
■ Investments of insurance activities in FVTPL – Equity instruments	964	684
■ Financial assets at fair value through recyclable equity – debt instruments	-158	-197
■ Financial assets at fair value through non-recyclable equity – equity instruments	-15	69
■ Hedging derivatives (CFH)	-1	19
■ Translation adjustments	148	159
■ Share of unrealized or deferred gains and losses of associates	-41	-39
■ Actuarial gains and losses on defined benefit plans	-103	-60
■ Credit risk on financial liabilities under fair value transferred to reserves	-	-
■ Other	-	-
TOTAL	**190**	**-26**

(1) Balances net of corporation tax and after shadow accounting treatment.

22c Recycling of gains and losses directly recognized in shareholders' equity

	12/31/2023	12/31/2022 restated
	Operations	Operations
Translation adjustments	-	-
Reclassification in income	0	0
Other movement	-11	78
Subtotal	**-11**	**78**
Revaluation of financial assets at FVOCI – debt instruments	-	-
Reclassification in income	0	0
Other movement	-45	-188
Subtotal	**-45**	**-188**
Revaluation of financial assets at FVOCI – equity instruments	-	-
Reclassification in income	0	0
Other movement	-20	17
Subtotal	**-20**	**17**
Revaluation of Insurance investments	-	-
Reclassification in income	0	0
Other movement	1,934	-6,327
Subtotal	**1,934**	**-6,327**
Remeasurement of hedging derivatives	-	-
Reclassification in income	0	0
Other movement	-1,596	5,773
Subtotal	**-1,596**	**5,773**
Actuarial gains and losses on defined benefit plans	-43	239
Share of unrealized or deferred gains and losses of associates	-2	0
TOTAL	**216**	**-408**

22d Tax related to each category of gains and losses recognized directly in shareholders' equity

	12/31/2023			12/31/2022 restated		
	Gross amount	Tax	Net amount	Gross amount	Tax	Net amount
Translation adjustments	-11	0	-11	78	0	78
Revaluation of financial assets at FVOCI - debt instruments	-84	1	-84	-5	-1	-6
Revaluation of financial assets at FVOCI - equity instruments	-48	9	-38	-238	55	-182
Revaluation of financial assets at FVOCI of Insurance	2,545	-611	1,934	-8,586	2,259	-6,327
Remeasurement of hedging derivatives	-27	7	-20	23	-6	17
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity	-2,150	555	-1,596	7,782	-2,009	5,773
Revaluation of non-current assets	0	0	0	0	0	0
Revaluation differences related to own credit risk on financial liabilities under fair value option transferred to reserves	0	0	0	0	0	0
Actuarial gains and losses on defined benefit plans	-69	25	-43	350	-110	239
Share of unrealized or deferred gains and losses of associates	-2	0	-2	0	0	0
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**248**	**-32**	**216**	**-597**	**189**	**-408**

Note 23 Commitments given and received

COMMITMENTS GIVEN

	12/31/2023	12/31/2022 restated
Financing commitments	**65,369**	**66,879**
Commitments due to credit institutions	627	491
Commitments to customers	64,742	66,388
Guarantee commitments	**31,215**	**31,119**
Credit institution commitments	4,635	5,360
Customer commitments	26,580	25,759
Securities commitments	**3,957**	**2,410**
Securities acquired with option to repurchase	0	0
Other commitments given	3,957	2,410
Commitments pledged from Insurance	**5,646**	**5,906**

COMMITMENTS RECEIVED

	12/31/2023	12/31/2022 restated
Financing commitments	**22,248**	**16,409**
Commitments received from credit institutions	22,248	16,409
Guarantee commitments	**100,993**	**104,383**
Commitments received from credit institutions	59,166	56,388
Commitments received from customers	41,827	47,995
Securities commitments	**736**	**1,872**
Securities sold with option to repurchase	0	0
Other commitments received	736	1,872
Commitments received from Insurance	**5,702**	**6,817**

SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	12/31/2023	12/31/2022 restated
Assets sold under repurchase agreements	37,471	53,172
Related liabilities	36,479	54,518

OTHER ASSETS GIVEN AS COLLATERAL FOR LIABILITIES

	12/31/2023	12/31/2022 restated
Loaned securities	0	390
Security deposits on market transactions	10,022	9,505
TOTAL	**10,022**	**9,895**

For the purposes of its refinancing activities, the group enters into repurchase agreements in respect of debt securities and/or equity securities. This results in the transfer of the ownership of securities that the transferee may in turn lend. Coupons and dividends are the property of the borrower. These transactions are subject to margin calls and the group is exposed to the non-recovery of the securities. The other assets given as collateral for liabilities relate to repurchase agreements and derivatives for which margin calls are paid when their fair value is negative. These amounts comprise the initial margins and those paid subsequently.

Note 24 Interest income and expense

	12/31/2023		12/31/2022restated	
	Income	Expenses	Income	Expenses
Credit institutions and central banks [1]	7,306	-3,610	1,268	-746
Customers	11,355	-5,022	7,640	-1,293
■ of which finance and operating leases	1,037	-358	659	-209
■ of which lease obligations	0	-9	0	-7
Hedging derivatives	7,755	-8,193	2,699	-2,451
Financial instruments at fair value through profit or loss	1,364	-658	665	-92
Financial assets at fair value through equity	1,245	0	436	0
Securities at amortized cost	191	0	30	0
Debt securities	0	-4,967	0	-1,816
Subordinated debt	0	-41	0	-14
TOTAL	**29,216**	**-22,491**	**12,738**	**-6,413**
of which interest income and expense calculated at the effective interest rate:	*20,097*	*-13,641*	*9,374*	*3,869*

(1) of which a -€29 million impact of negative interest rates on income and +€20 million increase in expenses in 2023, and a -€284 million impact of negative interest rates on income and +€206 million increase in expenses in 2022.

Interest expenses on central banks include interest calculated as part of TLTRO III transactions, for which the terms and conditions were specified by the ECB (see note 1 Accounting principles).

Note 25 Commissions

	12/31/2023		12/31/2022restated	
	Income	Expenses	Income	Expenses
Credit institutions	4	-13	19	-17
Customers	1,371	-15	1,308	-14
Securities	1,028	-110	1,035	-76
of which activities managed on behalf of third parties	*773*	*0*	*754*	*]0*
Derivative instruments	4	-11	7	-11
Currency transactions	24	-2	26	-2
Funding and guarantee commitments	93	-80	93	-95
Services provided	1,819	-1,106	1,787	-1,062
TOTAL	**4,343**	**-1,338**	**4,275**	**-1,276**

Note 26 Net gains on financial instruments at fair value through profit or loss

	12/31/2023	12/31/2022 restated
Trading instruments	210	240
Instruments accounted for under the fair value option	20	32
Ineffective portion of hedges	16	22
On cash flow hedges (CFH)	0	0
On fair value hedges (FVH)	16	22
Change in the fair value of hedged items	-753	2,001
Change in fair value of hedging instruments	769	-1,979
Foreign exchange gains/(losses)	150	37
Other financial instruments at fair value through profit or loss[1]	397	325
TOTAL CHANGES IN FAIR VALUE	**793**	**657**

(1) of which €254 million came from private equity in 2023 compared to €350 million in 2022. The other changes correspond to changes in the fair value of the other portfolios at fair value.

Note 27 Net gains or losses on financial assets at fair value through shareholders' equity

	12/31/2023	12/31/2022 restated
Dividends	27	24
Realized gains and losses on debt instruments	-186	-161
TOTAL	**-159**	**-137**

Note 28 Net gains or losses resulting from derecognition of financial assets at amortized cost

	12/31/2023	12/31/2022 restated
Financial assets at amortized cost	-	-
Gains/(losses) on:	0	0
Government securities	0	0
Bonds and other fixed-income securities	0	0
TOTAL	**0**	**0**

Note 29 Net income from insurance activities

	12/31/2023	12/31/2022 restated
Revenues from insurance contracts	7,207	7,004
Losses from insurance contracts	-6,147	-6,000
Income from insurance contracts	**1,060**	**1,004**
Expenses net of reinsurance treaties	-34	88
Insurance service result	**1,026**	**1,092**
Net income from insurance financial investments	5,799	-2,625
Financial income or financial expenses from insurance contracts issued	-5,736	2,680
Financial income or expenses related to reinsurance contracts held	3	1
Other income and expenses	0	0
TOTAL	**1,092**	**1,149**

29a Breakdown of income from insurance and reinsurance activities

	12/31/2023	12/31/2022 restated
INSURANCE		
Income from insurance contracts not measured under the premium allocation approach (PAA)	-	-
■ Contractual service margin recognized in income over the period	697	683
■ Change in the adjustment for non-financial risk not related to past services	136	116
■ Portion of premiums allocated to the recovery of insurance acquisition cash flows	14	12
■ Expected claims expenses for the period and other related expenses	1,717	1,735
■ Other	15	13
Income from insurance contracts not measured under the premium allocation approach (PAA)	**2,579**	**2,559**
Income from insurance contracts measured under the premium allocation approach (PAA)	**4,628**	**4,445**
Expenses related to insurance contracts	**-6,147**	**-6,000**
TOTAL INSURANCE SERVICE RESULT	**1,060**	**1,004**
REINSURANCE		
Income from insurance contracts not measured under the premium allocation approach (PAA)	-	-
■ Contractual service margin recognized in income over the period	-5	-6
■ Change in the adjustment for non-financial risk not related to past services	-1	-1
■ Expected claims expenses for the period and other related expenses	-13	-15
■ Other	0	0
Expenses relating to reinsurance contracts not measured under the premium allocation approach (PAA)	**-19**	**-22**
Income from reinsurance contracts measured under the premium allocation approach (PAA)	**-111**	**-98**
Revenues from insurance contracts	**96**	**207**
TOTAL REINSURANCE SERVICE RESULT	**-34**	**88**

29b Net income from investments related to insurance activities

	12/31/2023	12/31/2022 restated
Interest income and expense	**1,750**	**1,423**
Loans and receivables at amortized cost	-14	-5
Financial instruments at fair value through profit or loss	347	242
Financial assets at fair value through equity	1,417	1,186
Commissions on securities	**31**	**44**
Net gains on financial instruments at fair value through profit or loss	**4,361**	**-4,346**
■ Trading instruments	0	0
■ Foreign exchange gains/(losses)	-12	16
■ Other financial instruments at fair value through profit or loss	4,373	-4,362
Net gains or losses on financial assets at fair value through shareholders' equity	**42**	**226**
■ Dividends	121	87
■ Realized gains and losses on debt instruments	-79	139
Net gains or losses on financial assets and liabilities at amortized cost	**0**	**0**
Net income on investment property	**-382**	**27**
Cost of credit risk on investments related to insurance activities	**-1**	**3**
TOTAL	**5,801**	**-2,623**

29c Relationship between insurance income/financial expense and investment return on assets

	12/31/2023	12/31/2022 restated
Interest income and expense	1,413	1,277
Other investment income	4,570	-3,783
Cost of risk on insurance financial investments	-2	3
NET INVESTMENT INCOME	**5,982**	**-2,503**
Change in fair value of underlying items of contracts with direct participation feature	-5,712	2,716
Impact of the risk mitigation option	0	0
Accrued interest	-81	-36
Accretion of insurance liabilities	0	0
Impact of changes in discount rates and other financial assumptions	-3,226	11,876
net foreign exchange losses	0	0
NET FINANCIAL EXPENSE ON INSURANCE CONTRACTS	**-9,020**	**14,556**
Accrued interest	4	1
Other income	15	-70
NET FINANCIAL INCOME FROM REINSURANCE CONTRACTS	**19**	**-69**
Change in investment contracts (liabilities)	3,892	-13,443
Changes in investments in consolidated companies	0	0
TOTAL	**872**	**-1,459**
of which recognized in profit or loss	*249*	*178*
of which recognized in OCI	*623*	*- 1,637*

Note 30 Income/expenses generated by other activities

	12/31/2023	12/31/2022 restated
INCOME FROM OTHER ACTIVITIES		
Rebilled expenses	113	109
Other income	750	916
Subtotal	**863**	**1,025**
EXPENSES ON OTHER ACTIVITIES		
Investment property:	-1	-2
■ additions to provisions/depreciation	-1	-2
Other expenses	-511	-482
Subtotal	**-512**	**-484**
NET TOTAL OF OTHER INCOME AND EXPENSES	**351**	**542**

Note 31 General operating expenses

	12/31/2023	12/31/2022 restated
Employee benefits expense	-3,263	-3,031
Other operating expenses	-2,431	-2,341
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	-363	-325
TOTAL	**-6,057**	**-5,697**

31a Employee benefit expense

	12/31/2023	12/31/2022 restated
Wages and salaries [1]	-2,012	-1,931
Social security contributions	-854	-677
Short-term employee benefits	-2	-2
Employee profit-sharing and incentive schemes	-168	-197
Payroll-based taxes	-186	-179
Employee benefit expense related to non-attributable insurance activities	-43	-43
Other	2	-2
TOTAL	**-3,263**	**-3,031**

(1) Note that the amount of short-term employee benefits takes into account the effect of the French Supreme Court rulings of 09/13/2023 regarding the acquisition of paid leave during medical leave for illness or non-workplace accident leave.

WORKFORCE

Average workforce	12/31/2023	12/31/2022 restated
Bank technical staff	23,644	23,673
Managers	17,357	17,081
TOTAL	**41,001**	**40,754**
France	28,622	28,227
Rest of the world	12,379	12,527
Registered workforce [1]	46,540	47,246

(1) The registered workforce corresponds to the total number of employees at the end of the period for entities controlled by the group, which differs from the average full-time equivalent (so-called FTE) workforce, which focuses solely on full consolidation.

31b Other operating expenses

	12/31/2023	12/31/2022 restated
Taxes and duties [1]	-384	-450
Leases	-180	-184
■ short-term asset leases	-57	-61
■ low value/substitutable asset leases[2]	-112	-115
■ other leases	-11	-8
Other external services	-1,800	-1,659
Other non-attributable operating expenses related to insurance activities	-85	-69
Other miscellaneous expenses	18	21
TOTAL	**-2,431**	**-2,341**

(1) The entry "Taxes and duties" includes an expense of -€198 million as part of the contribution to the Single Resolution Fund in 2023, compared to a -€251 million expense in 2022.
(2) Includes IT equipment.

31c Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets

	12/31/2023	12/31/2022 restated
Depreciation and amortization:	-333	-323
■ property, plant and equipment [1]	-302	-292
including usage rights	*-162*	*-151*
■ intangible assets	-31	-31
Write-downs:	-26	-1
■ property, plant and equipment	-1	-2
■ intangible assets	-25	1
Depreciation, amortization & Prov. Related to non-attributable insurance activities	-4	-1
TOTAL	**-363**	**-325**

31d Reconciliation of expenses by type *versus* destination for insurance activities

	12/31/2023			12/31/2022 restated		
	Non-attributable costs	Related costs	Total	Non-attributable costs	Related costs	Total
Employee benefits expense	**43**	**562**	**606**	**43**	**587**	**630**
Wages and salaries	26	451	476	26	488	514
Social security contributions	9	54	64	10	54	63
Short-term employee benefits	1	6	7	1	4	5
Employee profit-sharing and incentive schemes	4	31	35	3	19	23
Payroll-based taxes	3	19	22	3	20	23
Other	0	1	1	1	1	2
Other operating expenses	**83**	**609**	**691**	**69**	**592**	**661**
Taxes & duties	0	49	49	0	56	56
Leases	0	19	19	3	16	19
■ short-term asset leases	0	0	0	0	0	0
■ low value/substitutable asset leases	0	0	0	0	0	0
■ other leases	0	19	19	3	16	19
Other external services	58	524	583	60	499	559
Patronage	9	0	9	0	0	0
Other miscellaneous expenses	15	17	32	7	20	27
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	**4**	**3**	**7**	**1**	**7**	**8**
Amortizations	4	3	7	1	7	8
■ PPE	3	3	6	1	7	8
including usage rights	3	0	3	0	4	4
■ Intangible assets	0	0	0	0	0	0
Write down	0	0	0	0	0	0
■ PPE	0	0	0	0	0	0
■ Intangible assets	0	0	0	0	0	0
General operating expenses related to insurance activities	**129**	**1,174**	**1,303**	**113**	**1,186**	**1,299**
Commissions, fees and other similar expenses	0	1,208	1,208	0	1,160	1,160
Acquisition costs for the period deferred on the balance sheet	0	-27	-27	0	-20	-20
Amortized acquisition costs	0	0	0	0	0	0
Impaired acquisition costs	0	0	0	0	0	0
Other expenses related to insurance activities	**0**	**1,181**	**1,181**	**0**	**1,140**	**1,140**
TOTAL INSURANCE CONTRACT COSTS	**129**	**2,355**	**2,484**	**113**	**2,326**	**2,439**
Of which insurance contracts attributable costs allocated to insurance services expenses	*-*	*2,355*	*2,355*	*-*	*2,326*	*2,326*
Of which insurance contracts non-attributable costs not allocated to insurance services expenses	*129*	*-*	*129*	*113*	*-*	*113*

Note 32 Cost of counterparty risk

	12/31/2023	12/31/2022 restated
■ 12-month expected losses (S1)	19	-269
■ Expected losses at termination (S2)	61	349
■ impaired assets (S3)	-1,359	-824
TOTAL	**-1,279**	**-743**

The cost of risk on financial instruments used in insurance activities is presented in net revenue (see note 29b).

12/31/2023	Allowances	Reversals	Loan losses covered by pensions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-1,026**	**1,045**	**-**	**-**	**-**	**19**
■ Loans and receivables due from credit institutions at amortized cost	-2	4	-	-	-	2
■ Customer loans at amortized cost	-883	911	-	-	-	28
■ of which finance leases	-45	42	-	-	-	-3
■ Financial assets at amortized cost – securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – debt securities	-22	21	-	-	-	-1
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-118	108	-	-	-	-10
Expected losses at maturity (S2)	**-1,544**	**1,605**	**-**	**-**	**-**	**61**
■ Loans and receivables due from credit institutions at amortized cost	0	1	-	-	-	1
■ Customer loans at amortized cost	-1,454	1,519	-	-	-	65
■ of which finance leases	-56	57	-	-	-	1
■ Financial assets at amortized cost – securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – debt securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-90	85	-	-	-	-5
Impaired assets (S3)	**-2,209**	**1,546**	**-519**	**-280**	**103**	**-1,359**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans at amortized cost	-2,093	1,459	-519	-277	103	-1,327
■ of which finance leases	-16	16	-9	-3	1	-11
■ Financial assets at amortized cost – securities	0	2	0	0	0	2
■ Financial assets at fair value through equity – debt securities	-3	0	0	0	0	-3
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-113	85	0	3	0	-31
TOTAL	**-4,779**	**4,196**	**-519**	**-280**	**103**	**-1,279**

12/31/2022 restated	Allowances	Reversals	Loan losses covered by pensions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-635**	**366**	**-**	**-**	**-**	**-269**
■ Loans and receivables due from credit institutions at amortized cost	-3	2	-	-	-	-1
■ Customer loans at amortized cost	-500	258	-	-	-	-242
■ of which finance leases	-58	25	-	-	-	-33
■ Financial assets at amortized cost – securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – debt securities	-10	6	-	-	-	-4
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-121	99	-	-	-	-22
Expected losses at maturity (S2)	**-708**	**1,057**	**-**	**-**	**-**	**349**
■ Loans and receivables due from credit institutions at amortized cost	-1	0	-	-	-	-1
■ Customer loans at amortized cost	-612	860	-	-	-	248
■ of which finance leases	-61	62	-	-	-	1
■ Financial assets at amortized cost – securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – debt securities	-3	6	-	-	-	3
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-92	191	-	-	-	99
Impaired assets (S3)	**-1,372**	**1,392**	**-668**	**-301**	**-125**	**-824**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans at amortized cost	-1,301	1,312	-658	-290	125	-812
■ of which finance leases	-12	17	-7	-5	1	-6
■ Financial assets at amortized cost – securities	0	19	0	0	0	19
■ Commitments given	-71	61	-2	-11	0	-23
TOTAL	**-2,714**	**2,815**	**-668**	**-301**	**125**	**-743**

Note 33 Net gains and losses on other assets

	12/31/2023	12/31/2022 restated
Property, plant and equipment and intangible assets	4	-3
■ Capital losses on disposals	-11	-19
■ Capital gains on disposals	15	16
Gains/(losses) on disposals of shares in consolidated entities	-2	-232
TOTAL	**2**	**-235**

Note 34 Changes in the value of goodwill

	12/31/2023	12/31/2022 restated
Impairment of goodwill	0	-971
Negative goodwill stated in profit or loss	0	0
TOTAL	**0**	**-971**

Note 35 Income tax

BREAKDOWN OF INCOME TAX EXPENSE

	12/31/2023	12/31/2022 restated
Current taxes	-1,193	-1,185
Deferred tax expense	26	-91
Adjustments in respect of prior years	-13	11
TOTAL	**-1,180**	**-1,265**

RECONCILIATION BETWEEN THE INCOME TAX EXPENSE RECOGNIZED AND THE THEORETICAL INCOME TAX EXPENSE

	12/31/2023	12/31/2022
Taxable result	4,474	3,887
Theoretical tax rate	25.83%	25.83%
Theoretical tax expense	**-1,156**	**-1,004**
Impact of preferential “SCR” and “SICOMI” rates	70	82
Impact of reduced rate on long-term capital gains	32	38
Impact of different tax rates paid by foreign subsidiaries	-16	-21
Permanent differences	-94	-337
Other	-15	-22
Income tax expense	**-1,180**	**-1,265**
Effective tax rate	**-26.36%**	**30.77%**

Note 36 Earnings per share

	12/31/2023	12/31/2022 restated
Group net income	3,002	2,341
Number of shares at beginning of year	34,225,594	33,770,590
Number of shares at end of year	34,302,302	34,225,594
Weighted average number of shares	34,263,948	33,998,092
Basic earnings per share	87.61	68.86
Weighted average number of shares that may be issued	0	0
Diluted earnings per share	87.61	68.86

Note 37 Outstandings on related party transactions

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	12/31/2023			12/31/2022 restated		
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies
ASSETS						
Financial assets at fair value through profit or loss	0	909	0	0	312	0
Hedging derivatives	0	0	800	0	0	27
Financial assets at FVOCI	0	0	0	0	0	0
Financial assets at amortized cost	11	1,580	34,302	11	2,282	33,941
Investments of insurance activities	0	88	5	0	84	7
Insurance contracts issued - Assets	0	0	0	0	0	0
Reinsurance contracts held - Assets	0	0	0	0	0	0
Other assets	2	0	2	5	0	1
TOTAL	**13**	**2,578**	**35,108**	**16**	**2,678**	**33,976**
LIABILITIES						
Liabilities at fair value through profit or loss	0	271	0	0	152	0
Debt securities	0	20	0	0	20	0
Due to credit institutions	-0	416	11,253	0	460	14,144
Due to customers	1,163	0	26	1,175	27	26
Insurance contracts issued - liabilities	0	0	0	0	0	0
Debt securities	0	66	500	0	66	500
Miscellaneous liabilities	115	0	10	82	0	4
TOTAL	**1,278**	**772**	**11,789**	**1,257**	**725**	**14,674**
Financing commitments given	0	0	1	0	6	2
Guarantees commitments given	28	1	4,768	26	42	4,688
Financing commitments received	0	0	5	0	0	5
Guarantees received	0	704	3,528	0	720	2,238

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	12/31/2023			12/31/2022restated		
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies
Interest income	0	110	1,466	5	11	550
Interest expense	-20	-68	-1,717	0	-17	-241
Commission income	8	0	30	9	-0	22
Commission expense	-56	-9	-62	-47	-9	-62
Net gains/(losses) on financial assets at FVOCI and FVPL	11	70	-2	10	-108	-2
Income from insurance contracts issued	1	0	84	1	1	80
Expenses related to insurance contracts issued	-156	-118	-847	-147	-123	-833
Financial income or expenses related to reinsurance contracts held	0	-1	0	0	-1	0
Net income from financial investments related to insurance activities	0	4	10	0	1	10
Other income and expenses	-15	0	0	-15	0	0
General operating expenses	-657	-1	-183	-613	-1	-146
TOTAL	**-884**	**-13**	**-1,221**	**-797**	**-246**	**-621**

Note 38 Fair value hierarchy of financial instruments recognized at amortized cost

The financial instruments presented in this section include loans and borrowings. They do not include non-monetary items (shares), accounts payable and other assets, other liabilities and accruals.

Non-financial instruments are not discussed in this section.

At December 31, 2023, the group refined the methodology for calculating the fair value of loans and receivables due from customers, which is on a calculation of discounted estimated future cash flows.

The discount rates used now depend on the type of loan (mortgages, consumer loans, equipment and cash) and the lending rate curves observed at the end of the fiscal year.

As of December 31, 2022, the fair values of customer loans and receivables were estimated on the basis of a risk-free yield curve to which was added a credit spread and a liquidity spread calculated globally.

The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, i.e. the carrying amount. Certain group entities may also make assumptions: the market value is the carrying amount for policies whose terms refer to a floating rate, or whose remaining term is less than or equal to one year.

Readers are cautioned that financial instruments carried at amortized cost are not transferable or are not, in practice, sold prior to maturity. Consequently, capital gains or losses will not be recognized.

However, if financial instruments carried at amortized cost were to be sold, their sale price could differ significantly from the fair value calculated at December 31, 2023.

	12/31/2023				-	
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**386,535**	**403,052**	**2,128**	**69,755**	**314,652**	**386,535**
Loans and receivables due from credit institutions	61,615	62,878	0	61,580	35	61,615
Loans and receivables due from customers [1]	321,197	336,388	0	6,751	314,446	321,197
Securities	3,723	3,786	2,128	1,424	171	3,723
Investments in insurance business line at amortized cost	**183**	**183**	**0**	**183**	**0**	**183**
Loans and receivables	183	183	0	183	0	183
Financial liabilities at amortized cost	**518,328**	**520,860**	**909**	**349,052**	**168,367**	**518,328**
Due to credit institutions	59,964	59,280	0	59,964	0	59,964
Due to customers	299,608	299,302	0	143,376	156,232	299,608
Debt securities	146,876	150,276	0	134,888	11,988	146,876
Subordinated debt	11,880	12,003	909	10,824	147	11,880

(1) The fair value at December 31, 2022 of customer loans and receivables recognized at amortized cost as presented below has not been modified to reflect the effects at that date of the methodological refinement carried out in 2023.

	12/31/2022 restated				-	
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**358,882**	**383,644**	**2,185**	**63,063**	**293,634**	**358,881**
Loans and receivables due from credit institutions	55,852	57,969	0	55,852	0	55,852
Loans and receivables due from customers	299,742	322,279	0	6,269	293,474	299,742
Securities	3,287	3,397	2,185	943	160	3,287
Investments in insurance business line at amortized cost	**981**	**981**	**0**	**981**	**0**	**981**
Loans and receivables	981	981	0	981	0	981
Financial liabilities at amortized cost	**499,020**	**508,926**	**-651**	**384,343**	**115,328**	**499,020**
Due to credit institutions	80,188	80,323	0	80,188	0	80,188
Due to customers	282,495	283,682	0	167,167	115,328	282,495
Debt securities [1]	126,706	134,560	0	126,706	0	126,706
Subordinated debt	9,631	10,361	-651	10,283	0	9,631

(1) The fair value of financial liabilities at amortized cost in the balance sheet is disclosed above in accordance with IFRS 13.

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Note 39 Relations with the group's key executives

During the year, the group's key executives (Chairman of the Board of Directors and Chief Executive Officer) benefited from the group's collective insurance and supplementary pension plans. However, the group's key executives did not enjoy any other specific benefits. No capital securities or securities giving access to share capital or the right to acquire capital securities of BFCM or CIC was allocated to them. Additionally, they do not receive attendance fees because of their office, whether in the group companies or in other companies, but because of their functions within the group.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees.

TOTAL COMPENSATION PAID TO KEY EXECUTIVES [1]

	12/31/2023	12/31/2022
(in € thousands)	Overall compensation	Overall compensation
Corporate officers – Management Committee – Board members receiving compensation	9,798	9,619

(1) See also the section on corporate governance.

The amount of provisions for retirement benefits and long-service awards amounted to €2,848 thousand as of December 31, 2023.

Note 40 Risk exposure

The information on risk exposure as required by IFRS 7 is given in Chapter 5 on risks in the management report.

Note 41 Dividends

Banque Fédérative du Crédit Mutuel plans to pay a dividend of €167 million, *i.e.* €5 per share.

Note 42 Fees to statutory auditors

	12/31/2023			
	KPMG		PricewaterhouseCoopers France	
	Amount *in € millions* excluding tax	%	Amount *in € millions* excluding tax	%
AUDIT OF THE ACCOUNTS				
■ BFCM	0.181	2%	0.125	2%
■ Fully consolidated subsidiaries	7.048	82%	3.919	75%
NON-AUDIT SERVICES				
■ BFCM	0.235	3%	0.230	4%
■ Fully consolidated subsidiaries	1.108	13%	0.948	18%
TOTAL	**8.572**	**100%**	**5.222**	**100%**
of which fees paid to the statutory auditors in France for the statutory audit of the financial statements:	*3.676*	-	*3.003*	-
of which fees paid to the statutory auditors in France for non-audit services:	*0.299*	-	*0.391*	-

	12/31/2022 restated			
	KPMG		PricewaterhouseCoopers France	
	Amount *in € millions* excluding tax	%	Amount *in € millions* excluding tax	%
AUDIT OF THE ACCOUNTS				
■ BFCM	0.245	2%	0.386	7%
■ Fully consolidated subsidiaries	8.189	73%	4.314	78%
NON-AUDIT SERVICES				
■ BFCM	0.846	8%	0.342	6%
■ Fully consolidated subsidiaries	1.903	17%	0.479	9%
TOTAL	**11.183**	**100%**	**5.521**	**100%**
of which fees paid to the statutory auditors in France for the statutory audit of the financial statements:	*5.003*	-	*3.762*	-
of which fees paid to the statutory auditors in France for non-audit services:	*1.205*	-	*0.414*	-

The main types of non-audit services are certificates, letters of comfort and agreed procedures.

Note 43 Events after the reporting period and other information

The consolidated financial statements of BFCM, closed as of December 31, 2023, were approved by the Board of Directors as of February 7, 2024.

7.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023

To the Shareholders' Meeting

Opinion

In performance of the mission entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL for the fiscal year ended December 31, 2023, as attached hereto.

We certify that in accordance with the IFRS as adopted in the European Union, the consolidated financial statements are accurate and sincere, and give a true and fair view of the results of transactions over the past fiscal year as well as the financial position and assets at the end of the fiscal year of the group composed of the persons and entities included within the scope of consolidation.

Basis of the opinion

Accounting basis

We conducted our audit according to applicable professional standards in France. We believe that the items that we collected were of a sufficient and appropriate basis on which to form our opinion.

Our responsibilities pursuant to these standards are set out in the section of this report entitled "Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements".

Independence

We conducted our audit engagement in compliance with the independence rules provided for by the French Commercial Code and the French code of conduct (*Code de déontologie*) of statutory auditors for the period from January 1, 2023 to the date of issue of our report, and in particular we have not provided any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014, with the exception, for the firm KPMG, of a non-material service, rendered to certain companies of an unconsolidated sub-group, which does not affect its professional judgment or the expression of its opinion or the exercise of its mission of certifying the consolidated financial statements of Banque Fédérative du Crédit Mutuel.

Comments

Without calling into question the opinion expressed above, we draw your attention to:

- the change in accounting method concerning the application, from January 1, 2023, of IFRS 17 – Insurance Contracts and concomitantly of IFRS 9 – Financial Instruments on portfolios of financial instruments of insurance activities as set out in note 1 "*Amendments applicable from January 1, 2023; Application of IFRS 17 and IFRS 9 for insurance activities*" as well as in the other notes to the financial statements presenting figures related to the impacts of this change;
- the correction of an error concerning the integration of the mutual insurance company ACM Vie SAM in the scope of consolidation set out in note 1 "*Accounting policies and principles*" and in the other notes presenting the figures related to this correction of an error.

Justification of the assessment – Key points of the audit

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code pertaining to justification of our assessment, we bring to your attention key points of the audit as they pertain to the risk of material misstatements, which according to our professional judgment, were the most important for the audit of the consolidated financial statements for the fiscal year, as well as our response to these risks.

The assessments made in this way fall within the scope of the audit of the consolidated financial statements taken as a whole and the formation of our opinion as expressed above. We have no opinion regarding elements of these consolidated financial statements taken separately.

CREDIT RISK AND VALUATION OF IMPAIRMENTS ON CUSTOMER LOAN PORTFOLIOS

Identified risk	Our response

BFCM group banks are exposed to credit risks inherent to their activities, particularly with regard to customer loans.
 	
In this respect and as indicated in note 1-II-1-8 *"Measurement of credit risk"* to the consolidated financial statements, the group recognizes impairments according to the IFRS 9 model:
▪ for non-downgraded performing loans (stage 1) and downgraded performing loans (stage 2), provisioning is made on the basis of expected credit losses at 12 months and maturity;
▪ for non-performing loans (stage 3), the impairment is equal to the difference between the carrying amount and the present value at the interest rate of the original loan, of the estimated future cash flows, allowing for the effect of guarantees.
 	
The classification of outstandings between the various stages provided for by IFRS 9 and the measurement of expected or actual credit losses for customer loan portfolios require the exercise of greater judgment and the consideration of assumptions by the BFCM group, in particular in order to:
▪ determine the methods used to assess the significant deterioration in credit risk in order to classify the outstandings into stages 1 and 2 or the proven risk (stage 3), depending in particular on the business segments;
▪ estimate the amount of credit losses for the various stages.
 	
As presented in note 10c to the consolidated financial statements, at December 31, 2023, the total gross amount of customer loans outstanding amounted to €344,997 million and the total amount of impairment was €8,609 million.
 	
Given the importance of judgment in the assessment of credit risk and the determination of the classification and impairments on customer loans (stages 1 to 3), in particular, in a context of persistent uncertainties marked by the tensions on commodities and energy, inflation and the rise in interest rates, we considered that the classification of outstanding customer loans between the different categories provided for by the standard IFRS 9 and the valuation of recognized impairments is a key point of the audit.
	With regard to outstandings classified in stages 1 and 2, the work we carried out consisted of:
	▪ taking note, during a critical review, of the conclusions of the work carried out by the statutory auditors of the Crédit Mutuel group on the methodological options and impairment models defined by Management. This work covered in particular:
	  ▪ a review of the system put in place to classify receivables between the various stages and assessing the amount of expected credit losses,
	  ▪ a review of the methods and measures used for the various parameters and models for calculating expected credit losses,
	  ▪ the analysis of the methods used to determine the various macroeconomic scenarios used to calculate value adjustments, as well as the related financial information,
	  ▪ the performance of data quality tests as well as checks on the information systems used to determine expected credit losses;
	▪ carrying out data analysis work relating to the correct classification of outstandings by category (stages 1 and 2);
	▪ examining the reconciliations made between the data from the IT tools used to calculate expected losses and the accounts;
	▪ analyzing changes in the portfolio and levels of impairment, by stage and for a selection of entities between December 31, 2022 and December 31, 2023 in order to assess their overall consistency.
	
	As regards outstandings classified in Stage 3, we reviewed the processes and tested the controls put in place by your group to identify loans and receivables presenting a proven risk of default, as well as the procedures for estimating the corresponding impairments, in a context of persistent uncertainties marked by tensions on commodities and energy, inflation and the rise in interest rates. The work consisted mainly of reviewing:
	▪ the application of the classification of outstandings under stage 3 in a sampling of loans;
	▪ the systems that guarantee the quality of the data used by calling on our IT specialists;
	▪ the credit risk monitoring process, by taking note of the conclusions of the specialized committees in charge of monitoring stage 3 receivables and the recognition of the related impairments;
	▪ the main assumptions used to estimate individual impairments on a sample of the corporate bank's loan files, and to check the documentation of the credit rating;
	▪ changes over time in key indicators: ratio of stage 3 outstandings to total outstandings and coverage ratio of stage 3 outstandings by depreciation. Each time that an indicator differed from the average, we analyzed the differences observed.
	
	Finally, we have assessed the appropriate nature of the information provided in the notes to the consolidated financial statements.

VALUATION OF COMPLEX FINANCIAL INSTRUMENTS CLASSIFIED AS LEVEL 2 AND LEVEL 3 FAIR VALUE

Identified risk	Our response
As part of its proprietary trading and group treasury activities and in connection with the services offered to customers, your group holds financial instruments for trading purposes. These financial instruments are financial assets or liabilities recognized in the balance sheet at their fair value as mentioned in note 1. II-1-1-1 *"Loans, receivables or debt securities acquired"* of the notes to the consolidated financial statements. The gain or loss on revaluation of these financial instruments in the balance sheet on the closing date is recognized in profit or loss. As presented in note 8 to the consolidated financial statements, at December 31, 2023, the total amount of financial instruments classified in levels 2 and 3 at fair value amounted to €25,313 million in assets and €16,685 million in liabilities. In our opinion, the valuation of complex financial instruments classified under level 2 and level 3 fair value was a key point of the audit as it entails a significant risk of material misstatements in the consolidated financial statements, requiring the exercise of judgment, particularly regarding: ■ the determination of unobservable market valuation inputs and the categorization of the instruments according to the fair value hierarchy for financial assets and liabilities; ■ the use of internal valuation models; ■ the estimation of the main valuation adjustments, to account for risks such as counterparty or liquidity risks; ■ the analysis of any valuation differences with counterparties recorded in the context of margin calls.	We reviewed the processes and controls implemented by the group to identify and measure complex financial instruments, including: ■ the governance of valuation models and value adjustments; ■ the controls related to the collection of the inputs needed to value complex financial instruments classified under levels 2 and 3; ■ independent justification and validation of the results recorded on these transactions. Our audit team included specialists in the valuation of complex financial instruments. With their assistance, we also: ■ conducted our own valuation tests on a sample of complex financial instruments; ■ analyzed the internal identification and validation processes of the primary value adjustments applied to financial instruments and their evolution over time. Our analyses dealt with the examination of methodologies retained on market reserves and value adjustments and the governance mechanism put in place to control the adjustments made; ■ reviewed the main differences in margin calls, in order to assess the consistency of the valuations previously used; ■ analyzed the criteria used in the fair value hierarchy as described in note 8 "*Hierarchy of the fair value of financial instruments assessed at fair value carrying amount*" in the notes to the consolidated financial statements.

MEASUREMENT OF THE PRIVATE EQUITY DIVISION'S FAIR VALUE LEVEL 3 INVESTMENTS

Identified risk	Our response
Through its private equity subsidiaries, your group has investments recognized at fair value through profit or loss. These instruments are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal. Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss". If the financial instrument is traded in an active market, its fair value is the quoted price. In order to estimate the fair value of securities when they are not listed in an active market, your group applies a mark-to-model approach based specifically on unobservable data, as outlined in the paragraph "Determination of the fair value of financial instruments" in note 1.3 "*Accounting policies and principles*" of the notes to the consolidated financial statements. In a context of persistent uncertainties marked by tensions on commodities and energy, inflation and the rise in interest rates, we considered that the measurement of the fair value through profit or loss of equity securities (not listed or accounted for in level 3) was a key point of the audit given the use of Management's judgment in determining their fair value and the complexity of the models used to estimate it.	We have reviewed the processes and controls put in place by your group pertaining to the valuation of equity investments recognized at fair value in level 3 of the private equity division. The work performed with our assessment and modeling based on a sampling, has consisted of: ■ analyzing the valuation methods and unobservable valuation data used by your group for lines valued on the basis of a mark-to-model approach; and assessing the inclusion of the context in the data used for the valuation; ■ where applicable, verifying that the valuation used by your group was comparable to the price observed during a similar and recent transaction; ■ analyzing the gains or losses resulting from changes in fair value, and verifying any associated impairment.

VALUATION OF GOODWILL

Identified risk	Our response
Your group has undertaken external growth operations which led to the recognition of goodwill. This goodwill amounted to €2,111 million in net value at December 31, 2023 and is presented in a separate line in the balance sheet and in note 19 - Goodwill to the consolidated financial statements. As noted in note 1.I.8 to the consolidated financial statements, goodwill represents the difference between the carrying amount and the fair value of the assets and liabilities of the entities acquired. Goodwill is allocated to Cash-Generating Units and is subject to impairment tests at least once a year or whenever an indication of loss of value appears. When their recoverable amount falls below the carrying amount, impairment is recognized. As indicated in note 19 to the consolidated financial statements, the recoverable amount is determined according to two methods: ■ the fair value net of selling costs, based on observing valuation ratios on comparable transactions or market parameters selected by analysts on entities with similar activities; ■ the value in use, which is based on discounting future expected cash flows to current value. As regards the value in use, cash flows are based on medium-term business plans drafted by management, then on an ad infinitum forecast according to a long-term growth rate after taking into account capital requirements. We considered that the assessment of goodwill constitutes a key point of the audit owing to: ■ its material significance on your group's consolidated balance sheet; ■ the significance of Management's judgment when choosing the recoverable amount method and regarding the value in use, the assumptions of future results of the companies in question and the discount rate applied to projected cash flows.	We took note of the processes implemented by the group to measure the need for impairment of goodwill. The work performed with our assessment and modeling experts to examine the recoverable amount determined by your group specifically consisted of: ■ an analysis of the methodology used; ■ an assessment of the main parameters and assumptions used in comparison with the available market data. As regards the value in use method, we also performed: ■ a review of the projected business plans from which projected cash flows were determined; ■ a recalculation of the values in use determined by your group for a sampling of goodwill; ■ an analysis of the available sensitivity tests (as presented in note 19) in order to assess the value in use used.

ASSESSMENT OF THE IMPACT OF THE FIRST-TIME ADOPTION OF IFRS 17 – INSURANCE CONTRACTS

Identified risk	Our response
The implementation of IFRS 17 – Insurance Contracts from January 1, 2023 results in significant changes in accounting policies and valuation rules for insurance contracts as well as changes in the presentation of the financial statements. It was applied retrospectively to insurance contracts outstanding at the transition date on January 1, 2022. Banque Fédérative du Crédit Mutuel presented the impact of this new accounting standard in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, which includes the comparative information related to January 1, 2022, as well as the impact of the accounting policy choices on the opening balance of shareholders' equity and on the opening balance sheet. Note 1 to the consolidated financial statements "*Accounting policies and principles*" to the consolidated financial statements of Banque Fédérative du Crédit Mutuel presents in particular the qualitative and quantitative information required by IFRS 17 as well as the main choices of accounting methods applied at the transition. According to this note, the adoption of this new accounting standard led to the recognition of an overall impact of -€868 million on shareholders' equity at January 1, 2022 and the constitution of a gross contractual service margin at the beginning of the period before tax of €5,313 million. The application of IFRS 17 involves new accounting and actuarial estimates involving increased judgment by management in the choice of the appropriate accounting methods in the context of the transition arrangements as well as in the determination of key assumptions and parameters to reflect the most probable estimated future situation. The significance of the changes in the measurement and recognition of insurance contract liabilities resulting from this new accounting standard, the choice of accounting policies and the significant use of management's judgment in determining certain key assumption, led us to consider the assessment of the impact of the first-time adoption of IFRS 17 – Insurance Contracts as a key point of the audit.	In particular, we performed the following audit procedures: ■ familiarizing ourselves with and assessing the processes and controls defined by management to determine the impact of the adoption of IFRS 17 on the consolidated financial statements at January 1, 2022, as well as the comparative financial statements as at December 31, 2022; ■ analyzing the choice of accounting methods and judgments made by management with regard to the provisions of IFRS 17; ■ assessing the parameters and assumptions used in the transition methods applied to calculate the contractual service margin (under the modified retrospective approach or the fair value transition approach); ■ assessing, with the help of our actuarial modeling specialists, the methodologies and key judgments used to determine the actuarial valuation models (including those related to the determination of the contractual service margin and the key discount rate parameters used by management) in view of the provisions of IFRS 17; ■ performing tests, on the basis of sampling and our risk assessment, on the data, assumptions and key modeling parameters and on the restatements made and used in the calculation of the opening balances and comparative statements presented; ■ assessing the appropriateness of the information in the notes to the consolidated financial statements related to the transition to the new IFRS 17 standard with regard to the requirements of IAS 8.

MEASUREMENT OF INSURANCE CONTRACT LIABILITIES

Identified risk	Our response
At December 31, 2023, Banque Fédérative du Crédit Mutuel recorded liabilities related to insurance contracts in the amount of €120,069 million as presented in note 13c to the consolidated financial statements. As explained in note 13c to the consolidated financial statements, liabilities related to insurance contracts are valued in accordance with IFRS 17, which is based in particular on the following principles: ■ the determination of the best estimate of the present value of cash flows to be paid or received, necessary to fulfill contractual obligations to policyholders: the measurement of future cash flows involves significant uncertainties induced by the use of complex actuarial models based on cash flow valuation methodologies adapted to the commitments as well as data and assumptions relating to future periods; ■ the definition of risk adjustment for non-financial risks, intended to cover uncertainty about the amount and timing of future cash flows as insurance contracts are executed. In particular, the group has exercised its judgment in the choice of the level of confidence and the diversification grid applied; ■ the determination of the contractual service margin representing the present value of deferred future profits attributable to shareholders over the period of coverage of the profitable insurance contracts and recognized in the income statement on the basis of the units of coverage defined by the group and appropriate to the groups of insurance contracts in question. Due to the long-term horizon of the commitments related to insurance contracts, their sensitivity to the economic and financial environment and the significant use of management's judgment in the choice of assumptions and complex techniques for modeling commitments to reflect the most likely future situation, we considered the valuation of insurance contract liabilities to be a key point of the audit.	With the assistance of our actuarial modeling and IFRS accounting specialists, we carried out the following audit procedures: ■ obtaining an understanding of the processes and methodologies defined by the group's management to determine, in accordance with the principles of IFRS 17, the best estimate of the present value of future cash flows necessary to fulfill the contractual obligations to policyholders of insurance contracts; ■ performing audit procedures on the internal control environment of the information systems involved in data processing and actuarial calculations concerning the valuation of insurance contract commitments; ■ assessing the eligibility of insurance contracts in the "life insurance" business lines to the "variable fees" accounting valuation model and assessing the correct application by management of these valuation methods to "savings & retirement" insurance contracts in accordance with the provisions of IFRS 17; ■ assessing and testing the key controls implemented by management. In this context, we assessed the control systems relating to the methodologies, judgments and key assumptions made by management, as well as those related to governance and controls relating to the processes and the validation of actuarial models for the projection of discounted future cash flows applied to commitments under "savings and retirement" insurance contracts. In particular, we assessed the appropriateness of any changes in assumptions, parameters or modeling of actuarial processes involved in the measurement of future cash flows; ■ testing, on a sample basis, the main methodologies, assumptions and key actuarial parameters used to determine the estimates of discounted future cash flows (including those used in the context of changes in assumptions or actuarial modeling of future cash flows), the risk adjustment for non-financial risks and the contractual service margin. Assessing, on a sample basis, the reasonableness of these estimates (including analysis of the sensitivity of the valuation results obtained by applying the assumptions and models used by management); ■ testing, on a sample basis, the reliability of the underlying data used in the projection models and the discounted best estimate future cash flow calculations. These verification procedures include the assessment of the processes used to determine the reversal in the income statement for the period in respect of the risk adjustment for non-financial risks and the contractual service margin; ■ performing analytical procedures on any developments in order to identify any inconsistent or unexpected material changes; ■ assessing the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Specific checks

In accordance with the professional standards applicable in France, we have also performed the specific checks required by the legal and regulatory texts as regards information concerning the group, given in the management report by the Board of Directors.

We have no comment to make as to its accuracy or consistency with the consolidated financial statements.

Other verifications or information required by laws and regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors with respect to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified that the consolidated financial statements to be included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are the responsibility of the Chief Executive Officer, comply with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

With respect to the consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced the same way in the consolidated financial statements attached to this report.

It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we have based our work.

Appointment of statutory auditors

We were appointed as statutory auditors of BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL by your Shareholders' Meeting of May 11, 2016 for PricewaterhouseCoopers France, and May 10, 2022 for KPMG S.A.

As of December 31, 2023, PricewaterhouseCoopers France was in the eighth year of its uninterrupted mission and KPMG S.A. in the second year.

Responsibilities of management and those in charge of corporate governance regarding the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union and to implement internal control procedures as it deems necessary for the preparation of consolidated financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

During the preparation of consolidated financial statements, it is incumbent upon management to assess the company's ability to continue as a going concern, and as the case may be, the necessary information with regard to business continuity and to apply the standard accounting policy for a going concern, unless it is foreseen to liquidate the company or cease doing business.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements

Our responsibility is to prepare a report regarding the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements, as a whole, contain no material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards may systematically detect every material misstatement. Misstatements may come from fraud or result from errors and are considered as significant when one can reasonably expect that they may, either individually or cumulatively, influence economic decisions made by users who make decisions based on the financial statements.

As specified by Article L.821-55 of the French Commercial Code, our mission in certifying financial statements does not consist of guaranteeing the viability or quality of your company's management.

In the context of an audit completed in accordance with professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit process.

Furthermore:

- they identify and assess the risk that the consolidated financial statements contain material misstatements and that such misstatements result from fraud or errors, define and implement audit procedures to address these risks and collect information that they consider a sufficient and appropriate basis for such opinion. The risk of non-detection of a material misstatement from fraud is higher than a material misstatement resulting from any error, because fraud may involve collusion, falsification, deliberate omissions, false statements or circumventing internal controls;
- they acknowledge relevant internal control for the audit in order to determine the appropriate audit procedures for the circumstance, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- they assess the appropriateness of application by management of the accounting policy for a going concern and, depending on the items gathered, the existence or not of any significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment relies on the items collected up to the date of their report, however, with the reminder that subsequent circumstances or events could call into question business continuity. If the statutory auditors conclude that significant uncertainty exists, they bring the information provided in the consolidated financial statements regarding such uncertainty to the attention of readers of their report or, if such information is not provided or is not relevant, the statutory auditors issue a qualified opinion or a denial of opinion;
- they assess the overall presentation of the consolidated financial statements and assess whether or not the consolidated financial statements reflect the underlying transactions and events to provide a true and fair view thereof;
- regarding the financial information of the persons or entities included within the scope of consolidation, they gather items deemed sufficient and appropriate to express an opinion on the consolidated financial statements. The statutory auditors are responsible for the management, supervision and preparation of the audit of the consolidated financial statements, as well as the opinion expressed on these financial statements.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 9, 2024

The statutory auditors

KPMG S.A.		PricewaterhouseCoopers France
Sophie Sotil-Forgues Partner	Arnaud Bourdeille Partner	Laurent Tavernier Partner

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The Crédit Mutuel Alliance Fédérale Foundation supports the **Entourage** network, which gives people in situations of extreme hardship and exclusion the support networks they need to bounce back and regain their place in society, by coordinating solidarity actions.

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BFCM Annual Financial Statements

8.1 BFCM FINANCIAL STATEMENTS

8.1.1 Annual financial statements

Assets

(in euros)	Notes	12/31/2023	12/31/2022
Cash, central banks, CCP	2.2, 2.3	41,413,586,082.87	40,240,287,775.55
Government and equivalent securities	2.8, 2.15	7,414,699,947.74	7,203,309,134.13
Receivables on credit institutions	2.2, 2.3	139,378,899,953.75	149,975,181,444.99
Customer transactions	2.3, 2.4	1,701,809,145.93	2,159,774,053.77
Bonds and other fixed-income securities	2.3, 2.15	17,202,901,539.43	15,420,659,331.57
Shares and other variable-income securities	2.8, 2.15	861,988,840.03	793,407,994.04
Equity investments and other securities held long-term	2.17	343,175,601.32	367,812,035.97
Investments in associates	2.17	17,461,960,573.20	16,026,921,819.13
Finance leasing and leasing with purchase option		0.00	0.00
Operating lease		0.00	0.00
Intangible assets	2.0, 2.21	8,000,141.00	8,000,141.00
Property, plant and equipment	2.0	43,484.27	50,107.15
Capital subscribed not paid		0.00	0.00
Treasury shares		0.00	0.00
Other assets	2.24	9,877,092,057.84	11,519,388,870.17
Accruals	2.25	2,133,275,826.29	2,377,195,926.70
TOTAL ASSETS		**237,797,433,193.67**	**246,091,988,634.17**

Off-balance sheet

	Notes	12/31/2023	12/31/2022
COMMITMENTS GIVEN			
Financing commitments	3.0	490,448,220.83	903,579,413.80
Guarantee commitments	3.1	7,391,270,020.90	6,649,307,196.24
Securities commitments		81,405,635.84	0.00

Liabilities

(in euros)	Notes	12/31/2023	12/31/2022
Central banks, CCP	2.2, 2.3	0.00	0.00
Due to credit institutions	2.2, 2.3	92,778,128,546.27	111,638,883,139.21
Deposits from customers	2.3	13,501,717,477.57	13,265,436,951.74
Debt securities	2.3	100,575,394,961.95	92,951,292,132.95
Other liabilities	2.24	375,325,920.20	433,283,630.19
Accruals	2.25	3,305,259,172.23	2,707,817,471.46
Provisions for risks and expenses	2.27	523,710,811.25	674,980,160.00
Subordinated debt	2.7	11,380,226,677.42	10,066,340,499.84
Funds for general banking risks	2.20	61,552,244.43	61,552,244.43
Shareholders' equity excluding FGBR	2.20		
Capital	*2.20*	*1,715,115,100.00*	*1,711,279,700.00*
Issue premiums	*2.20*	*4,852,655,174.87*	*4,783,771,390.87*
Reserves	*2.20*	*7,613,684,975.26*	*6,883,409,955.26*
Revaluation provisions		*0.00*	*0.00*
Regulated provisions and investment subsidies	*2.20*	*0.00*	*0.00*
Retained earnings	*2.20*	*901,666.26*	*317,935.04*
Profit (loss) for the period	*2.20*	*1,113,760,465.96*	*913,623,423.18*
TOTAL LIABILITIES		**237,797,433,193.67**	**246,091,988,634.17**

Off-balance sheet

	Notes	12/31/2023	12/31/2022
COMMITMENTS RECEIVED			
Financing commitments	3.0	22,007,989,802.80	16,157,884,414.59
Guarantee commitments	3.1	0.00	0.00
Securities commitments		1,094,000,000.01	100,611,662.72

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Income statement

(in euros)	Notes	12/31/2023	12/31/2022
+ Interest and similar income	4.1	15,201,228,268.17	4,295,562,208.23
- Interest and similar expenses	4.1	-15,145,804,606.79	-4,193,955,724.27
+ Income from finance leasing transactions & early exercise of options		0.00	0.00
- Expenses from finance leasing transactions & early exercise of options		0.00	0.00
+ Income from operating lease transactions		0.00	0.00
- Expenses on operating lease transactions		0.00	0.00
+ Income from variable-income securities	4.2	667,568,434.59	1,251,114,850.34
+ Commissions (income)	4.3	169,518,912.51	164,806,006.84
- Commissions (expenses)	4.3	-175,036,454.20	-152,354,974.52
+/- Profit/loss on trading book transactions	4.4	9,918,635.03	-40,313,569.89
+/- Profit/loss on short-term investment portfolios and similar transactions	4.5	-23,691,377.71	-148,235,160.58
+ Other operating income	4.6	231,588.19	137,320,340.24
- Other operating expenses	4.6	-27,116,562.50	-565,522.83
Net revenue		**676,816,837.29**	**1,313,378,453.56**
- General operating expenses	4.7	-91,246,480.04	-92,921,288.34
- Additions to depreciation and provisions on property, plant and equipment and intangible assets		-7,819.99	-7,393.08
Gross operating income		**585,562,537.26**	**1,220,449,772.14**
+/- Cost of risk	4.8	-8,420,643.39	-5,963,381.09
Operating income		**577,141,893.87**	**1,214,486,391.05**
+/- Profit or loss on non-current assets	4.9	542,666,581.69	-305,036,612.57
Income before tax and exceptional items		**1,119,808,475.56**	**909,449,778.48**
+/- Exceptional items	4.10	0.00	0.00
- Income tax	4.11	-6,048,009.60	4,173,644.70
+/- Allocation/reversal of FGBR and regulated provisions		0.00	0.00
NET INCOME		**1,113,760,465.96**	**913,623,423.18**

8.1.2 Notes to the annual financial statements

SUMMARY OF NOTES

Note 1 Accounting policies and valuation methods

The annual financial statements of Banque Fédérative du Crédit Mutuel (BFCM) are prepared in accordance with the general accounting principles and regulations of the *Autorité des normes comptables* (ANC – French Accounting Standards Authority), including Regulation 2014-07 on the financial statements of companies in the banking sector.

They respect the "prudence principle" rule and the basic conventions concerning:

- going concern;
- continuity of methods;
- independence of fiscal years.

2023: implementation of disinflation

The year 2023 saw the start of the long-awaited global disinflationary movement that would enable Western central banks to halt their cycle of rising key interest rates. Despite the persistence of sensitive geopolitical risks (continuing conflict in Ukraine, tensions in the Middle East and attacks in the Red Sea), commodity prices stabilized overall after a year of soaring prices in 2022. Disinflation got off to a slow start in the first half of the year, but then took hold on both sides of the Atlantic, enabling central banks to pause monetary policy at the end of the summer and keep key rates unchanged ever since. After reaching all-time highs since 2010, sovereign yields finally fell back sharply in the autumn as financial investors reassured themselves of Western central banks' ability to fight inflation effectively. This supported equity markets with a year-end rally of rare magnitude. However, the growth profile differed markedly between Europe and the United States. The Old Continent continued to suffer from slowing global demand, persistently high inflation and reduced fiscal support. It was also affected by the tightening of financial conditions by the European Central Bank (ECB), as well as by the fragility of German industry due to the energy crisis. In contrast, US growth proved more resilient, underpinned by fiscal support measures and household use of available savings. Finally, in China, the rebound in growth remained modest and disappointing, despite the fiscal and monetary support measures announced by the authorities.

In the **Eurozone**, persistent inflationary pressures worried financial investors and the ECB in the first part of the year. The resilience of core inflation - excluding energy and food - and wage rises forced the ECB to continue raising key rates, despite investor fears over US financial instability. Nevertheless, the slowdown in inflation accelerated in the second half of the year, falling from +8.6% year-on-year in January to +2.4% in November, and from +5.3% to +3.6% for the underlying rate. This was due to favorable base effects, the spread of restrictive financial conditions and the slowdown in producer prices. What's more, the Eurozone saw sluggish growth this year, with sequential growth of -0.1% in Q3-2023, and +0.1% in Q2 and Q1. This did not, however, prevent optimism from taking equity markets a notch higher, to +12% for the Stoxx Europe 600. The deterioration in economic indicators materialized more strongly in the second half of the year, notably in the PMI activity indexes, although some confidence indicators stopped deteriorating towards the end of the year. Against this backdrop, the ECB was able to leave its key rates unchanged since its October meeting, after ten consecutive 450bp hikes, bringing the deposit rate down to 4%. At the same time, the institution accelerated the reduction in the size of its balance sheet by not reinvesting securities acquired under the historic asset purchase program, and by repaying banks' long-term lending operations. European sovereign interest rates thus experienced a two-faced 2023. After a significant rise during the monetary tightening phase, they were finally able to begin their fall in the autumn following the ECB's pause, a move fueled by financial investors' expectations of further monetary easing in 2024. This ultimately benefited the narrowing of spreads between core and peripheral Eurozone countries. The euro appreciated against the dollar in 2023, ending up nearly +4% at €1 = $1.10. This parity was mainly due to the dollar's decline, caused by investors' integration of the end of Fed monetary tightening. At European level, the Member States finally agreed on a reform of budgetary rules. This reform maintains the public deficit threshold at 3% of GDP and the public debt threshold at 60% of GDP, while granting States greater flexibility to reduce their debt, notably through the introduction of an adjustment period that can be extended in the event of structural investments in the ecological transition, defense or digital technology. Finally, the year was punctuated by political events such as the far-right Eurosceptic party's lead in the Dutch parliamentary elections and the retention of the socialist P. Sánchez as Prime Minister in Spain.

In **France**, inflation continued to fall in 2023 to +3.7% year-on-year in December *vs*. +6% in January, in line with the rest of the Eurozone, but monetary tightening and the inflationary context affected activity. GDP contracted in the third quarter to -0.1% sequentially *versus* the previous quarter. Signs of a weakening French economy multiplied towards the end of the year, with PMI activity indexes still in contraction territory. During the first half of the year, the Fitch rating agency downgraded France's sovereign rating from AA to AA- due to reservations about the trajectory of public finances and the social context that followed the enactment of the pension reform. Finally, the government presented its Finance Bill for 2024, which forecasts a deficit of 4.4% of GDP in 2024 *vs*. an estimated 4.9% in 2023, which will require the issuance of €285 billion in medium- and long-term debt. For its part, the CAC 40 slightly outperformed its pan-European peer, with an increase of +16.5% over the year.

In the **United Kingdom**, while persistent inflation and tensions on the labor market necessitated further increases in key rates in the first half of the year, the disinflation observed thereafter enabled the Bank of England to begin a pause in its monetary tightening since the summer, keeping rates at 5.25%. However, the consequences of monetary policy weighed on economic growth, which remained sluggish in the third quarter at -0.1% quarter-on-quarter. The return of PMI indicators to expansionary territory towards the end of the year was driven by the rapid fall in inflation, linked in particular to the decline in energy prices. The government presented its autumn budget, in which it planned additional budget spending, and therefore higher-than-expected debt issuance, as well as a significant increase in the minimum wage, pensions and social benefits.

In the **United States**, persistent inflation, particularly in services and housing, also prompted the Fed to continue raising key rates until July, taking the fluctuation band to 5%-5.25%. However, the disinflationary trend materialized more rapidly than in the Eurozone. The PCE (Personal Consumption Expenditures) indicator fell from +5.5% in January to +2.6% in November, enabling the Fed to leave rates unchanged since the September meeting. At the same time, US growth continued to surprise on account of its resilience, with GDP rebounding at an annualized sequential rate of +4.9% in Q3, particularly in services driven by household demand. The labor market was also a supportive factor, normalizing only very gradually (increasing labor supply but still high job creation, low unemployment rate). This allowed only a gradual slowdown in wages, which were still close to +4% annualized at the end of the year. As in Europe, US sovereign yields rose sharply until the autumn, particularly for long-term maturities (with ten-year yields crossing the 5% threshold last October). From mid-October onwards, rates began to fall rapidly across the board, against a backdrop of financial investors' expectations of numerous Fed rate cuts in 2024, thanks to slowing inflation. Most visible on the real side (*i.e.*, excluding inflation expectations), this fall in rates propelled US equity indexes to new all-time highs, with the S&P 500 up +25%. This also contributed to the dollar's depreciation against major currencies towards the end of the year. The year was a turbulent one in the United States, due to: 1/ fears about the banking system following the failure of a number of regional banks in the first half of the year; and 2/ a significant rise in sovereign interest rates over the summer, partly in the wake of fears about the trajectory of US federal finances, which were at risk of default given the sharp divergences within Congress over budgetary decisions. An agreement to raise the debt ceiling and make budget cuts was finally reached. This led to a resumption of debt issuance on the market from June, but did not prevent Fitch from downgrading the US sovereign rating from AAA to AA+. Indeed, budget risks remained high in the second half of the year (no budget adopted as the fiscal year 2023 reporting date approached), necessitating the adoption of an interim budget until the end of January 2024 in order to avoid a shutdown (closure of non-essential government services).

In **China**, the combined weakness of inflation, which fell into negative territory, and growth, whose post-pandemic recovery disappointed on account of its scale, led the authorities to maintain their fiscal and monetary support in order to achieve the 5% growth target. However, structural weaknesses continued to weigh and limit the extent of the rebound, such as the crisis in the real estate sector and the very high level of public and private debt, not to mention the clear decline in Chinese indexes of -18% for the Hang Seng in 2023. Moreover, while geopolitical tensions with the United States increased in the first part of the year - with issues surrounding Taiwan and suspicions of espionage - the November meeting of leaders Xi Jinping and Joe Biden for the first time in a year marked a stabilization in bilateral relations. In the other **emerging countries**, falling inflation, particularly core inflation, enabled central banks to cut key rates this year, as **Brazil**'s central bank did this summer.

In **commodities**, the price of Brent crude rebounded to almost $95/barrel over the summer on the back of OPEC+ production cuts, resilient US demand and rising Chinese imports. At the end of the year, it fell back to around $78/barrel, in the wake of the economic slowdown and fears about the cartel's solidarity. Gas prices fell back to around €35/MWh for the European TTF reference at year-end, benefiting from subdued demand and diversification of supplies. Geopolitical tensions and climate risks nevertheless fueled volatility, particularly on certain food commodities, although the FAO Commodity Index fell overall in 2023.

1.1 Valuation of receivables and debts and use of estimates in preparation of the financial statements

Receivables and payables on customers and credit institutions are booked to the balance sheet for their nominal value or acquisition cost, if it is different to the nominal value.

Related accruals (accrued or outstanding interest due or payable) are combined with the corresponding asset and liability items.

Commissions received when granting loans and those paid to business contributors on loans are gradually booked to profit/loss according to a method that amounts to considering them equivalent to interest. This actuarial installment is recognized in income net of interest on the income statement. On the balance sheet, commissions received and marginal transaction costs that are subject to installments are included in the outstanding loans concerned.

The preparation of the financial statements may require making assumptions and estimates which have an impact on the determination of income, expenses, assets and liabilities on the balance sheet and in the notes to the financial statements. In this case, the managers, based on their judgment and experience, use the information available on the date of preparation of the financial statements to make the necessary estimates.

This is the case concerning:

- the fair value of financial instruments not listed on an active market;
- the pension plans and other future employee benefits;
- the valuation of equity investments;
- the provisions for risks and expenses.

1.2 Receivables and credit risk

The system for downgrading to non-performing loans complies with ANC Regulation No. 2014-07, according to which receivables of any kind are downgraded in the following situations:

- in the event of non-payment for more than nine months for loans to local authorities, more than six months for property loans to housing purchasers and more than three months for other loans;
- when the receivable is subject to dispute (over-indebtedness, reorganization, judicial liquidation, bankruptcy, etc.);
- when the receivable, apart from the existence of any arrears, presents other risks of total or partial non-collection.

In fact, processing of transitions to non-performing, provisioning and return to performing of customers are automated in accordance with the prudential rules (EU Delegated Regulation 2018/171) and the application guidelines EBA/GL/2016/07 of the European Banking Authority (EBA). Thus:

- the analysis of default (*i.e.* the event giving rise to the downgrading of the receivable) is carried out daily, at the level of all the commitments of a borrower, the assessment of the default being determined by borrower or group of borrowers with a common commitment;
- default is triggered when 90 consecutive days of arrears are recorded by a borrower/group of borrowers;
- the default contagion scope extends to all receivables of the borrower, and all individual commitments of borrowers participating in a joint credit obligation;
- the minimum probation period is three months before return to performing status for non-restructured assets and 12 months for restructured loans.

Non-performing loans are depreciated individually, loan by loan, recorded under cost of risk.

Interest on non-performing loans not paid and booked to the income statement is covered by depreciation for the whole of the amount recognized. Depreciation or reversals of depreciation and loan losses and recoveries on depreciated loans relating to interest on non-performing loans are booked to the item “Interest and similar income” on the income statement.

The principal of the loan is provisioned according to the most probable estimate of depreciation, in accordance with general principles of prudence. The calculation of the depreciation takes into account the value of realizing personal guarantees or collateral related to the loan.

The impairment loss recognized covers the projected loss converted to current value at the original credit interest rate. Projected losses are equal to the difference between the initial contractual flows and the projected flows for collection. The determination of collection flows is based on statistics for estimating average collection series over time from the date of downgrading of the loan. A recovery of the provision due to the passage of time is recognized in net revenue.

Non-performing loans for which events of default have been pronounced or which have been classified for more than one year as non-performing loans are specifically identified in the category “irrevocable non-performing loans”.

The bank has defined internal rules, which presume the necessarily irrevocable character of the loan as soon as it has been classified for more than one year as a non-performing loan, unless it is categorically demonstrated that valid guarantees exist covering the entire risk. The recognition of interest on the loan ceases as soon as it is classified as an “irrevocable non-performing loan”.

Article 2221-5 of the aforementioned ANC rule requires specific treatment of certain restructured outstanding amounts. Assets that have become performing again following restructuring under non-market conditions are isolated in a specific category. In this case, write-offs of principal or interest, outstanding or accrued, as well as future interest differences, are immediately recognized as losses, then reintegrated as the loan is amortized. The number of loans concerned and the amounts in question are low and calculation of a discount would not have any significant impact on the financial statements for the fiscal year.

The impossibility of recovering all or part of the non-performing loans results in a loss. The impossibility of recovery is mainly due to:

- the certificate of uncollectibility issued by the collection agency stating the reasons for the failure;
- the lack of solvency of the debtor(s) of the claims in the file, noted after all internal procedures of the litigation department have been implemented;
- a judgment unfavorable to the bank leading to the impossibility of pursuing the recovery of its receivables or a court decision ordering the write-down of debts;
- an over-indebtedness plan including a partial debt write-down.

1.3 Security trades

The items on the balance sheet:

- “Government and equivalent securities”;
- “Bonds and other fixed-income securities”;
- “Shares and other variable-income securities”.

record trading securities, short-term investment securities and long-term investment securities according to their category.

This classification results from the application of ANC Regulation 2014-07, which requires the allocation of securities according to their intended use.

Trading securities

This portfolio includes securities acquired or sold with the intention of reselling or repurchasing them in the short term and which are tradable in a market in which liquidity is assured, with significant market prices. They are recognized including any accrued interest at the time of purchase, with acquisition costs expensed. At the reporting date, trading securities are valued at the market price. The overall balance of profit and loss resulting from variations in prices is booked to the income statement.

Short-term investment securities

Short-term investment securities are the default classification category for securities that do not fall under another accounting classification. Premiums or discounts upon acquisition of fixed-income securities are staggered over the lifetime of the instrument in question. Upon closure of the fiscal year, unrealized capital losses on short-term investment securities, possibly corrected for the impairment and reversals of differences mentioned above, are provisioned individually by security code or by homogeneous groups; short-term investment securities are valued at the quoted price when the market is active, failing which by valuation techniques based on recent transactions or models commonly used by market participants. Unrealized capital gains are not recognized.

Long-term investment securities

This portfolio includes fixed-income securities with a fixed maturity that have been acquired or reclassified from the “trading securities” category or the “short-term investment securities” category with the intention of holding them until maturity, by having the necessary term holding capacity (particularly financial and legal). The difference seen between the purchase price and the redemption value is spread over the lifetime of the security. Unrealized capital loss is not depreciated, unless there is a strong probability that the institution will not hold these securities until maturity or if there is a risk of default by the issuer. Unrealized capital gains are not recognized.

Treasury bonds, negotiable debt instruments (short- and medium-term) and interbank market instruments classified in the short-term investment and long-term investment portfolios are recognized at the purchase price, including accrued interest upon purchase. Interest income is calculated at the negotiated rate, with the amount of the premium or the discount being amortized according to the actuarial method.

Bonds included in the short-term investment and long-term investment portfolios are recognized excluding accrued interest. Interest income is calculated at the nominal rates of the securities. When their purchase price is different from the redemption value, this difference is amortized actuarially and booked to expenses or income as appropriate.

Securities denominated in foreign currencies are valued at the exchange rate at the reporting date or at the closest prior date. Valuation differences are booked as profit or loss on financial transactions.

Reclassification of financial assets

The reclassification of securities between the different accounting categories is governed by the provisions of Articles 2381-1 to 2381-5 of ANC Regulation 2014-07.

Temporary disposals of securities

Temporary disposals of securities are intended to guarantee loans or cash borrowings with securities. They mainly take two separate forms, according to the legal mechanism used, namely:

- pensions;
- lending and borrowing securities.

The repurchase agreement consists legally of transferring the full ownership of the security, the buyer irrevocably committing to sell them back and the seller to buy them, at a price and date agreed when the contract is concluded. For accounting purposes, securities given under repurchase agreements are kept in their original item and continue to be valued according to the rules applicable to the portfolios to which they belong. At the same time, the debt representing the amount collected is recorded as a liability. The receivable representative of a repurchase agreement on received securities is booked as an asset.

Loans of securities are consumer loans governed by the French Civil Code, in which the borrower irrevocably undertakes to return the loaned securities at maturity. These loans are generally guaranteed by the presentation of cash, which remains acquired by the lender in case of default by the borrower. In this case, the transaction is equivalent to a repurchase agreement and recorded for accounting purposes as such. In the case of a so-called “dry-loan” without cash, the lent securities no longer appear on the balance sheet and a receivable representing the value of the lent securities is recorded as assets, this receivable being valued at each closing according to the rules applicable to the original portfolio of securities. In the case of “dry” borrowing, the borrowed securities are recorded in the trading book and a liability is recognized at the market price at inception and at subsequent closings. In the summary statements, the amount of the debt representing the value of the borrowed securities is reduced by the amount of the borrowed securities recognized as an asset.

1.4 Options

The premiums paid or received are recognized in the balance sheet account when they are paid or collected. Premiums on unsettled options are valued at close of the fiscal year when they are traded on an organized market. The difference is booked to the income statement. Capital gains and losses on over-the-counter transactions processed outside organized and equivalent markets are recognized in the income statement at the time of settlement.

1.5 Other long-term investments, equity investments and investments in associates

Other long-term investments are investments made with the intention of promoting the development of long-term professional relationships with the Issuer, but without exercising an influence in its management.

Equity investments and subsidiaries are securities whose long-term ownership is deemed useful to the business, in particular because it enables them to exercise influence over the company issuing the securities, or to ensure control thereof.

These securities are recognized at historical cost. Each investment is reassessed at the close of the fiscal year. When the carrying amount appears higher than their value in use, a write-down is accounted for in the amount of the unrealized loss. Unrealized capital gains are not recognized. The going-concern value represents what the company would accept to disburse to obtain these securities if it had to acquire them, given its objective in holding them: it may be estimated by various criteria such as net assets possibly corrected, profitability and prospects for profitability, and average stock-market prices over the last few months.

1.6 Fixed assets

Property, plant and equipment is depreciated over the useful life corresponding to the actual period of use of the asset, taking into account any residual value, the usual lifetimes being:

- software: 1 to 10 years;
- buildings – structural building shell: 20 to 80 years;
- buildings – equipment: 10 to 40 years;
- fixtures and fittings: 5 to 15 years;
- transport equipment: 3 to 5 years;
- furniture and office equipment: 5 to 10 years;
- IT equipment: 3 to 5 years.

In the event that components of an asset have different useful lives, each of them is recognized separately and has its own depreciation plan. Accelerated depreciation may be applied under the conditions accepted by the regulations when the useful lives accepted for tax purposes are shorter than the useful life of the asset or component.

When there are indications of impairment such as a decrease in market value, obsolescence or physical deterioration of the asset, changes in the way in which the asset is used, etc. an impairment test comparing the carrying amount of the asset to its current value is performed. If a write-down is recognized, the depreciable base of the asset is changed prospectively.

1.7 Conversion of transactions in foreign currency

Receivables and debts, as well as forward foreign exchange contracts shown as off-balance sheet commitments, are converted at market prices at the close of the fiscal year, with the exception of elements denominated in currencies participating in the European single currency, for which an official exchange rate has been adopted.

Property, plant and equipment are recognized at historical cost. Financial assets are converted at closing prices (see the details in the previous notes).

Income and expenses in foreign currencies are booked to profit/loss at the exchange rate in force on the last day of the month of their collection or payment; expenses and income accrued but not paid on the reporting date are converted at the exchange rates at that date.

Unrealized or definitive foreign exchange gains and losses resulting from conversion transactions are recognized at each balance sheet date.

1.8 Exchange contracts (swaps)

Pursuant to ANC Regulation 2014-07, the bank may constitute three separate portfolios holding contracts according to whether they are intended to maintain open and isolated positions (a), hedge the interest-rate risk of an isolated element or a set of homogeneous elements (b), or enable specialized management of a transaction portfolio (d). There is no portfolio of swap contracts intended to hedge the overall interest-rate risk, known as a portfolio of category (c).

Under these conditions, transfers from one portfolio to another are only possible from:

- portfolio (a) to portfolio (b);
- portfolio (b) to portfolio (a) or (d);
- portfolio (d) to portfolio (b).

The contracts are booked at their nominal value off-balance sheet. The market value adopted for “transaction” swap contracts comes from the application of the discounted cash flow method with a zero coupon yield curve. The fixed rate branch is estimated from the various installments discounted according to the yield curve, while the current value of the variable-rate branch is estimated from the value of the current coupon increased by the nominal. The market value results from the comparison of these two present values, after taking into account the counterparty risk and future management fees. The counterparty risk is calculated in accordance with Article 2525-3 of ANC Regulation 2014-07, to which an equity coefficient of 8% is applied. The management fees are then determined by increasing this amount of shareholders’ equity by a rate of 10%.

The adjustments that may be received or paid at conclusion of a swap contract are recognized in the income statement on a *pro rata* basis over the period of the contract. In case of early termination of a contract, the adjustment received or paid is immediately recognized in profit/loss, unless the contract was initiated as part of a hedging transaction. The adjustment is then booked to the income statement according to the lifetime of the element initially hedged.

In order to measure and monitor the risks incurred due to these transactions, overall sensitivity limits including interest rate and currency swap contracts are fixed per activity. Information on these positions is regularly communicated to the bank’s executive body, according to the meaning of Article L.511-13 of the French Monetary and Financial Code.

1.9 Commitments in respect of pension, retirement benefits and long-service awards

The recognition and measurement of retirement and other employee benefits comply with ANC recommendation No. 2013-02.

Employee pension plans

Pensions are paid by various institutions to which the bank and its employees periodically make contributions. These are recognized as expenses for the fiscal year during which they are due.

Also, employees benefit from a supplementary pension plan financed by the employer, through two insurance contracts. These Article 83 CGI-type contracts serve a defined-contribution points capitalization plan. The commitment relating to this plan is fully covered by the accumulated reserves. Consequently, no residual commitment results for the employer.

Retirement benefits and long-service awards

Future retirement benefits and premiums to be paid for long-service awards are fully covered by an insurance contract.

The commitments are calculated using the projected credit unit method in accordance with IFRS standards. Also taken into account are mortality, rates of personnel turnover, rates of salary increases, social security contribution rates in the specified cases and the financial discount rate.

Commitments related to rights acquired by employees on December 31 are fully covered by the reserves constituted with the insurance company. The retirement benefits and long-service awards due and paid to employees during the year are reimbursed by the insurer.

The commitments for retirement benefits are determined based on the contractual benefits upon retirement at the initiative of the employee having reached his or her 62^{nd} to 63^{rd} birthday since the 2023 fiscal year, in order to take into account the effects of the pension reform that came into force on September 1, 2023. The past service cost associated with this change in retirement age is recognized in profit (loss) for the period.

1.10 Funds for general banking risks

Funds for general banking risks are defined as the amounts that the bank decides to allocate to the coverage of such risks, when prudential reasons so require in view of the specific risks inherent in banking transactions.

The amounts assigned to these funds stand at €61.6 million, as no movement affected this item during the fiscal year.

1.11 Provisions

Depreciation assigned to asset items is deducted from the corresponding receivables, which are thus shown at their net amount. Provisions relative to off-balance sheet commitments are booked to provisions for contingent liabilities.

BFCM may be party to various disputes; their possible outcomes and any financial consequences are regularly examined and, as required, are the subject of allocations to provisions recognized as necessary.

1.12 Commissions

Commissions are generally recognized when they are received, except for those remunerating a service over time, or when they relate to financial transactions recognized at the time of issue or invoicing.

1.13 Income tax

With effect from January 1, 2016, Caisse Fédérale de Crédit Mutuel (CFCM) exercised the option for "mutualist tax consolidation" in accordance with the provisions of Article 223 A, 5^{th} subparagraph of the French General Tax Code.

The tax consolidation mechanism enables corporate income tax to be paid on an overall profit obtained by making the algebraic sum of the profits and losses of the various entities of the group. CFCM tax consolidation group is composed of:

- CFCM, the "consolidation head";
- the local and regional banks affiliated with it pursuant to a collective operating accreditation issued by the banking regulator;
- Banque Fédérative du Crédit Mutuel and some 30 of its subsidiaries, who have exercised the option to participate in it.

By agreement, each member of the tax consolidation is required to pay to CFCM, as a contribution to the payment of the group's corporate income tax and whatever the actual amount of the said tax, an amount equal to the tax which would have been payable on its profit/loss if the member was separately taxable, consequently deducting all offset rights that the members would have benefited from in the absence of tax consolidation.

The item "Income tax" includes:

- the amount of corporate income tax and the additional contribution calculated as if the company was separately taxed;
- the additional contribution of 3% on distributed income;
- any adjustments relating to prior fiscal years and tax adjustments;
- the tax expense or income related to tax credits on zero-rate loans and equivalent loans.

The corporate income tax due pursuant to the fiscal year and the additional contributions are determined according to the applicable tax regulations. The tax credits attached to income from securities is not recognized. They are directly offset against the income tax expense.

1.14 Establishments in non-cooperative states or territories with regard to transparency and exchange of information in tax matters

The bank has no direct or indirect establishment in states or territories covered by the first paragraph of Article L.511-45 of the French Monetary and Financial Code.

1.15 Consolidation

The company is fully consolidated within the consolidation scope of Crédit Mutuel Alliance Fédérale, which itself forms part of the consolidation scope of the Confédération Nationale du Crédit Mutuel.

Note 2 Notes to the balance sheet

The figures given in the various tables that follow are expressed in thousands of euros.

2.0 Movements affecting items of non-current assets

	Gross amount at 12/31/2022	Acquisitions	Disposals	Transfers or redemption	Gross amount at 12/31/2023
Non-current financial assets	23,106,658	3,999,008	634,888	-1,224,491	25,246,287
Property, plant and equipment	1,576	2	-	-	1,578
Intangible assets	8,000		-	-	8,000
TOTALS	**23,116,234**	**3,999,010**	**634,888**	**-1,224,491**	**25,255,865**

2.1 Depreciation, amortization and impairment on non-current assets

AMORTIZATIONS

	Depreciation at 12/31/2022	Allowances	Reversals	Depreciation at 12/31/2023
Non-current financial assets	0		-	-
Property, plant and equipment	1,526	8	-	1,534
Intangible assets	0	-	-	-
TOTALS	**1,526**	**8**	**0**	**1,534**

WRITE DOWN

	Write down at 12/31/2022	Allowances	Reversals	Write down At 12/31/2023
Non-current financial assets	1,503,566	35,395	1,058,708	480,253
Property, plant and equipment	0	-	-	-
Intangible assets	0	-	-	-
TOTALS	**1,503,566**	**35,395**	**1,058,708**	**480,253**

2.2 Breakdown of receivables and payables

A) RECEIVABLES ON CREDIT INSTITUTIONS AND CENTRAL BANKS

	2023 amount		2022 amount	
	Demand	Term	Demand	Term
Ordinary Accounts	704,736		2,187,716	
Loans, securities received under repurchase agreements [1]	40,766,600	132,873,526	39,625,000	143,092,380
Securities received under repurchase agreements delivered	-	536,129	-	193,516
Securities not posted	-	1,743	-	48
Related receivables [1]	13,591	907,507	4,403	164,370
Non-performing loans	-	-	-	-
(Write-downs)	-	-	-	-
TOTAL	**41,484,927**	**134,318,905**	**41,817,119**	**143,450,314**
Subordinated loans	-	4,337,151	-	4,337,151
TOTAL RECEIVABLES ON CREDIT INSTITUTIONS AND CENTRAL BANKS	**-**	**180,140,983**	**-**	**189,604,584**
(1) of which Central Banks	*40,762,083*		*39,629,403*	

B) DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS

	2023 amount		2022 amount	
	Demand	Term	Demand	Term
Ordinary Accounts	19,174,227	-	21,314,787	-
Borrowings [1]	1,796,471	55,652,692	50,503	55,639,438
Securities given under repurchase agreements [1]	-	11,725,600	-	32,176,200
Securities given under repurchase agreements delivered	-	1,017,160	-	192,682
Securities not posted	-		-	-
Related debt [1]	791	811,532	12	-100,775
Other amounts due	2,599,656	-	2,364,036	-
TOTAL	**23,571,145**	**69,206,984**	**23,731,338**	**87,907,545**
TOTAL DEBTS TO CREDIT INSTITUTIONS AND CENTRAL BANKS	**-**	**92,778,129**	**-**	**111,638,883**
(1) of which Central Banks	*-*	*12,036,684*	*-*	*31,722,027*

2.3 Breakdown of receivables and debts according to their residual maturity

ASSETS

	Less than or equal to three months	From three months to one year	From one to five years	More than five years and of indeterminate duration	Interest accrued and outstanding	TOTAL
RECEIVABLES ON CREDIT INSTITUTIONS AND CENTRAL BANKS						
Demand	41,471,336	-	-	-	13,591	41,484,927
Term	19,903,321	13,829,676	67,546,385	36,469,167	907,507	138,656,056
RECEIVABLES FROM CUSTOMERS						
Commercial loans	-	-	-	-	-	-
Other customer receivables	130,221	248,585	293,430	705,043	5,132	1,382,411
Non-performing loans	-	-	-	-	-	-
Overdrawn current accounts	319,398	-	-	-	-	319,398
BONDS & OTHER FIXED-INCOME SECURITIES	887,834	1,187,585	8,914,401	6,087,820	125,261	17,202,901
of which trading securities	*960*	-	-	-	-	*960*
TOTALS	**62,712,110**	**15,265,846**	**76,754,216**	**43,262,030**	**1,051,491**	**199,045,693**

Non-performing loans are considered as being repayable at more than five years.

LIABILITIES

	Less than or equal to three months	From three months to one year	From one to five years	More than five years and of indeterminate duration	Interest accrued and outstanding	TOTAL
DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS						
Demand	23,570,354	-	-	-	791	23,571,145
Term	11,780,588	16,879,240	22,975,624	16,760,000	811,532	69,206,984
DEPOSITS FROM CUSTOMERS						
Special savings accounts	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Term	-	-	-	-	-	-
Other debt	-	-	-	-	-	-
Demand	13,199,264	-	-	-	-	13,199,264
Term	300,000	-	-	-	2,454	302,454
DEBT SECURITIES						
Interbank market securities and	-	-	-	-	-	-
negotiable debt securities	8,613,357	23,969,068	956,250	471,000	331,953	34,341,628
Bonds	4,065,011	2,601,055	35,321,670	9,796,044	544,691	52,328,471
Other securities	-	-	4,250,000	9,500,000	155,296	13,905,296
SUBORDINATED DEBT	-	1,040,600	4,770,000	5,393,215	176,412	11,380,227
TOTALS	**61,528,574**	**44,489,963**	**68,273,544**	**41,920,259**	**2,023,129**	**218,235,469**

2.4 Breakdown of receivables from customers

Excluding related receivables of €5,131 thousand on gross receivables

	2023 amount			2022 amount		
	Gross receivables	Inc. non-performing loans	Write down	Gross receivables	Inc. non-performing loans	Write down
BREAKDOWN BY MAIN TYPES OF COUNTERPARTY						
Companies	1,696,617	25,027	25,027	2,153,745	25,027	16,633
Individual business owners	-	-	-	-	-	-
Individuals	11	-	-	36	-	-
Public administration	50	-	-	1,045	-	-
Private non-profit institutions	-	-	-	-	-	-
Total	**1,696,678**	**25,027**	**25,027**	**2,154,826**	**25,027**	**16,633**
BREAKDOWN BY BUSINESS LINES						
Agriculture and mining industries	-	-	-	-	-	-
Retail and wholesale commerce	-	-	-	5,606	-	-
Industries	-	-	-	-	-	-
Services to companies and holding	25,027	25,027	25,027	14,394	25,027	16,633
Services to individuals	-	-	-	-	-	-
Financial services	1,591,515	-	-	1,733,506	-	-
Real estate services	75,719	-	-	92,653	-	-
Transport and communication	57	-	-	303,448	-	-
Not allocated and others	4,360	-	-	5,219	-	-
Total	**1,696,678**	**25,027**	**25,027**	**2,154,826**	**25,027**	**16,633**
BREAKDOWN BY GEOGRAPHIC SEGMENTS						
France	1,300,129	25,027	25,027	1,723,926	25,027	16,633
Europe outside France	396,549	-	-	430,900	-	-
Other countries	-	-	-	-	-	-
TOTAL	**1,696,678**	**25,027**	**25,027**	**2,154,826**	**25,027**	**16,633**

In 2023, BFCM recorded €8,394 thousand in charges to provisions. Non-performing loans outstanding amounted to €25,027 thousand.

None of the above loans is compromised or restructured.

2.5 Amount of commitments on equity investments and fully-consolidated subsidiaries

ASSETS

	2023 amount	2022 amount
RECEIVABLES ON CREDIT INSTITUTIONS		
Demand	106,508	886,839
Term	102,986,371	112,618,677
RECEIVABLES FROM CUSTOMERS		
Commercial loans	-	-
Other customer receivables	373,933	728,854
Overdrawn current accounts	-	-
BONDS AND OTHER FIXED-INCOME SECURITIES	7,224,089	5,526,706
SUBORDINATED RECEIVABLES	5,155,759	5,190,073
TOTAL	**115,846,660**	**124,951,149**

LIABILITIES

	2023 amount	2022 amount
DUE TO CREDIT INSTITUTIONS		
Demand	11,218,581	7,449,649
Term	50,752,645	48,596,567
DEPOSITS FROM CUSTOMERS		
Special savings accounts	-	-
Demand	-	-
Term	-	-
Other debt	-	-
Demand	460,501	403,870
Term	-	-
DEBT SECURITIES		
Certificates of deposit	-	-
Interbank market securities and	-	-
negotiable debt securities	-	-
Bonds	2,494,769	2,773,175
Other debt securities	-	-
SUBORDINATED DEBT	16,558	16,588
TOTAL	**64,943,054**	**59,239,849**

This table includes commitments received and given on equity investments and fully-consolidated subsidiaries in the BFCM consolidation.

2.6 Breakdown of subordinated assets

	2023 amount		2022 amount	
	Subordinated amount	of which equity loans	Subordinated amount	of which equity loans
RECEIVABLES ON CREDIT INSTITUTIONS				
Term	4,046,151	-	4,046,151	-
TBD	291,000	-	291,000	-
RECEIVABLES FROM CUSTOMERS				
Other customer receivables	933,950	933,950	933,950	933,950
BONDS AND OTHER FIXED-INCOME SECURITIES	194,477	132,873	190,596	132,873
TOTAL	**5,465,578**	**1,066,823**	**5,461,697**	**1,066,823**

2.7 Subordinated debt

	2023 amount			2022 amount		
Type of loan	**Currency**	**Outstandings**	**Term**	**Currency**	**Outstandings**	**Term**
SUB loan	EUR	500,000	TBD	EUR	500,000	TBD
Deeply subordinated note loan	EUR	593,215	TBD	EUR	593,215	TBD
TSR 3% – XS1069549761	EUR	1,000,000	05/21/2024	EUR	1,000,000	05/21/2024
TSR 2.5% – XS1824240136	EUR	500,000	05/25/2028	EUR	500,000	05/25/2028
TSR 3% – XS1288858548	EUR	1,000,000	09/11/2025	EUR	1,000,000	09/11/2025
TSR 2.375% – XS1385945131	EUR	1,000,000	03/24/2026	EUR	1,000,000	03/24/2026
TSR 1.875% – XS1512677003	EUR	700,000	11/04/2026	EUR	700,000	11/04/2026
TSR 2.625% – XS1587911451	EUR	500,000	03/31/2027	EUR	500,000	03/31/2027
TSR 1.625% – XS1717355561	EUR	500,000	11/15/2027	EUR	500,000	11/15/2027
TSR 1.875% – FR0013425162	EUR	1,000,000	06/18/2029	EUR	1,000,000	06/18/2029
TSR 1.125% - FR0014006KD4	EUR	750,000	11/19/2031	EUR	750,000	11/19/2031
TSR 1.8% – FR0012632495	EUR	3,000	04/02/2025	EUR	3,000	04/02/2025
TSR 1.9% – FR0012618320	EUR	22,000	04/02/2025	EUR	22,000	04/02/2025
TSR 2.125% – FR0013201431	EUR	300,000	09/12/2026	EUR	300,000	09/12/2026
TSR 2.75% – FR0012616894	EUR	40,000	04/27/2027	EUR	40,000	04/27/2027
TSR 3.4% – FR0012304442	EUR	55,000	12/22/2026	EUR	55,000	12/22/2026
TSR 3.875% - FR001400AY79	EUR	1,250,000	06/16/2032	EUR	1,250,000	06/16/2032
TSR 4.25% – FR0011781061	EUR	120,000	06/27/2026	EUR	120,000	06/27/2026
TSR 3.1% – FR0012033926	EUR	11,100	08/06/2024	EUR	11,100	08/06/2024
TSR EURIB6 +1.78 – FR0013073764	EUR	50,000	12/23/2030	EUR	50,000	12/23/2030
TSR 4% – FR0011828235	EUR	5,000	04/10/2024	EUR	5,000	04/10/2024
TSR 3.15% – FR0011927037	EUR	7,000	06/03/2024	EUR	7,000	06/03/2024
TSR CMS10+130 – FR0012046860	EUR	2,000	07/29/2024	EUR	2,000	07/29/2024
TSR 3.10% – FR0012112605	EUR	3,000	09/03/2024	EUR	3,000	09/03/2024
TSR 3% – FR0012187078	EUR	5,000	10/15/2024	EUR	5,000	10/15/2024
TSR 3% – FR0012187086	EUR	3,500	10/15/2024	EUR	3,500	10/15/2024
TSR 2.60% – FR0012303246	EUR	4,000	11/28/2024	EUR	4,000	11/28/2024
TSR 1.35% – FR0012767267	EUR	30,000	06/02/2025	EUR	30,000	06/02/2025
TSR 5.125% – FR001400F323	EUR	1,250,000	01/13/2033		-	
		11,203,815			**9,953,815**	
		176,412	Receivables related		112,525	Receivables related
Conditions	Borrowings and subordinated notes rank below the receivables of all other creditors, with the exception of non-voting loan stock. Deeply subordinated notes rank lowest, as they are expressly subordinated to all other debts of the company, whether unsecured or subordinated.					
Possibility of early repayment	No possibility in the last five years unless there is a concomitant capital increase. Prohibited for TSR, except in the case of market purchases, takeover bids and exchange offers. Restricted for deeply subordinated notes because they are equivalent to core shareholders' equity.					

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2.8 Securities portfolio: breakdown between trading, short-term investment and long-term investment portfolios

	2023 amount			2022 amount		
	Trading portfolio	Short-term investment portfolio	Long-term investment portfolio	Trading portfolio	Short-term investment portfolio	Long-term investment portfolio
Government and equivalent securities	-	7,414,700	-	-	7,203,309	-
Bonds and other securities	960	10,166,786	7,035,156	240	10,180,357	5,240,062
Shares and UCI	-	861,989	-	-	793,408	-
TOTALS	**960**	**18,443,475**	**7,035,156**	**240**	**18,177,074**	**5,240,062**

There are no outstanding trading securities on an active market according to the meaning of Article ANC 2321-1

2.9 Securities portfolio: securities having been the subject of a transfer from one portfolio to another

Following the amendments to Regulation 90-01 of the French Banking Regulation Committee on the accounting of transactions on securities introduced by CRC Regulation No. 2008-17 of December 10, 2008 relating to transfers of securities outside the category “trading securities” and outside the “short-term investment securities” category, BFCM did not make any reclassifications as at December 31, 2023.

2.10 Securities portfolio: differences between purchase price and redemption price of short-term and long-term investment securities

	Net discounts/over-losses remaining to be amortized			
	2023 amount		2022 amount	
NATURE OF SECURITIES	Discount	Premium	Discount	Premium
Short-term investment securities				
■ Bond market	80,547	111,607	17,244	128,195
■ Money market	-	-	-	-
Long-term investment securities				
■ Bond market	2,213	-	2,722	-
■ Money market	-	-	-	-

2.11 Securities portfolio: unrealized capital gain and loss on securities

	2023 amount	2022 amount
Amount of unrealized capital gain on short-term investment securities:	323,254	371,175
Amount of unrealized capital loss on short-term investment securities and that was subject to depreciation:	398,090	417,053
Amount of unrealized capital loss on long-term investment securities	0	55
Amount of unrealized capital gain on long-term investment securities:	56,338	17,393

2.12 Securities portfolio: amount of receivables representative of lent securities

	2023 amount	2022 amount
Government and equivalent securities	0	0
Bonds and other fixed-income securities	0	0
Shares and UCI	0	0

2.13 Securities portfolio: amount of receivables and debts related to securities deliveries under repurchase agreements

	2023 amount		2022 amount	
	Receivables related to purchase agreements	Liabilities related to purchase agreements	Receivables related to purchase agreements	Liabilities related to purchase agreements
RECEIVABLES ON CREDIT INSTITUTIONS				
Demand	-	-	-	-
Term	536,129	-	193,516	-
RECEIVABLES FROM CUSTOMERS				
Other customer receivables	-	-	-	-
DUE TO CREDIT INSTITUTIONS				
Demand	-	-	-	-
Term	-	1,017,160	-	192,682
DEPOSITS FROM CUSTOMERS				
Other debt	-	-	-	-
Demand	-	-	-	-
Term	-	-	-	-
TOTAL	**536,129**	**1,017,160**	**193,516**	**192,682**

Assets put under repurchase agreements on December 31, 2023 correspond to:

- secured deposits for €35,000 thousand;
- government bonds for €501,129 thousand.

2.14 Securities portfolio: breakdown of bonds and other fixed-income securities according to the issuer

	2023 amount			2022 amount		
	Issuer			Issuer		
	Public bodies	Other	Receivables related	Public bodies	Other	Receivables related
Government securities, bonds and other securities	11,051,063	13,381,596	184,942	10,743,271	11,765,015	115,682

2.15 Securities portfolio: breakdown according to listing

	2023 amount			2022 amount		
	Amount of listed securities	Amount of non-listed securities	Receivables related	Amount of listed securities	Amount of non-listed securities	Receivables related
Government and equivalent securities	7,355,019	0	59,681	7,150,018	0	53,291
Bonds and other securities	16,053,257	1,024,383	125,261	14,083,268	1,275,000	62,391
Shares and UCI	858,463	3,526	0	789,761	3,647	0
TOTALS	**24,266,739**	**1,027,909**	**184,942**	**22,023,047**	**1,278,647**	**115,682**

2.16 Securities portfolio: information on UCIs

	2023 amount			2022 amount		
	Amount of French UCI units	Amount of foreign UCI units	TOTAL	Amount of French UCI units	Amount of foreign UCI units	TOTAL
Variable-income securities: UCI		0	-	-	0	0

	2023 amount			2022 amount		
	Amount of capitalization UCI units	Amount of distribution UCI units	TOTAL	Amount of capitalization UCI units	Amount of distribution UCI units	TOTAL
Variable-income securities: UCI	-	0	-	-	0	0

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2.17 Securities portfolio: equity investments and investments in associates held in credit institutions

	Amount held in credit institutions in 2023	Amount held in credit institutions in 2022
Equity investments and portfolio activity	187,636	219,199
Investments in associates	6,396,882	7,002,431
TOTAL	**6,584,518**	**7,221,630**

2.18 Securities portfolio: information on portfolio activity

On December 31, 2023, there are no outstanding securities on the portfolio activity

2.19 Unlimited liability companies in which the establishment is an associate

Name of the company	Registered office	Legal form
CM Foncière	STRASBOURG	General Partnership

2.20 Breakdown of item “shareholders’ equity"

	2022 amount	Allocation of capital	Capital increase and other changes	2023 amount
Capital	1,711,280	-	3,835	1,715,115
Issue premiums	4,783,771	-	68,884	4,852,655
Legal reserve	168,853	2,275	-	171,128
Statutory and capital reserves	6,705,062	728,000	-	7,433,062
Regulated reserves	0	-	-	
Other reserves	9,495	-	-	9,495
Retained earnings	318	584	-	902
Profit (loss) for the period	913,623	-913,623	-	1,113,760
Distribution of dividends	-	182,764	-	-
TOTAL	**14,292,402**	**0**	**72,719**	**15,296,117**
Funds for general banking risks	61,552			61,552

The capital is composed of 34,302,302 shares with a nominal value of €50.

2.21 Start-up expenses, research and development expenses and purchased goodwill

	2023 amount	2022 amount
Start-up expenses	-	-
Formation expenses	-	-
Initial expenses	-	-
Expenses for capital increases and miscellaneous transactions	-	-
Research and development expenses	-	-
Purchased goodwill	-	-
Other intangible assets	8,000	8,000
TOTAL	**8,000**	**8,000**

2.22 Receivables eligible for refinancing by a central bank

Eligible receivables are exclusively composed of receivables from customers. At December 31, 2023, BFCM’s customer loans eligible for central bank refinancing amounted to €9,367,062 thousand out of a group outstanding amount of €25,101,426 thousand.

2.23 Accrued interest to receive or pay

ASSETS

	Interest accrued to receive	Interest accrued to pay
Cash, central banks	13,583	-
Government and equivalent securities	59,681	-
Receivables on credit institutions	-	-
Demand	8	-
Term	907,507	-
Receivables from customers	-	-
Commercial loans	-	-
Other customer receivables	1,923	-
Overdrawn current accounts	3,209	-
Bonds and other fixed-income securities	125,261	-
Shares and other variable-income securities	-	-
Equity investments and portfolio activities	-	-
Investments in associates	-	-

LIABILITIES

Central banks	-	311,684
Due to credit institutions	-	-
Demand	-	791
Term	-	499,848
Deposits from customers	-	-
Special savings accounts	-	-
Demand	-	-
Term	-	-
Other debt	-	-
Demand	-	-
Term	-	2,454
Debt securities	-	-
Certificates of deposit	-	-
Interbank market securities and negotiable debt instruments	-	331,953
Bonds	-	544,691
Other debt securities	-	155,296
Subordinated debt	-	176,412
TOTAL	**1,111,172**	**2,023,129**

2.24 Items "Other assets" and "Other liabilities"

OTHER ASSETS

	2023 amount	2022 amount
Conditional instruments purchased	7,358	7,623
Securities transaction settlement accounts	35,883	58,131
Miscellaneous receivables	9,833,851	11,453,635
Carry back receivables	-	-
Other stocks and equivalents	-	-
Other	-	-
TOTAL	**9,877,092**	**11,519,389**

OTHER LIABILITIES

	2023 amount	2022 amount
Other securities debts	-	-
Conditional instruments sold	5,263	5,452
Trading securities debts	-	-
of which debts on borrowed securities	-	-
Securities transaction settlement accounts	50,967	330,260
Payment remaining to be made on non-paid-up securities	-	13,912
Miscellaneous creditors	319,096	83,660
TOTAL	**375,326**	**433,284**

2.25 Accruals

ASSETS

	2023 amount	2022 amount
Head office and branch – Network	-	-
Collection accounts	1,040	459
Adjustment accounts	57,646	10,629
Variation accounts	-	-
Potential losses on unhedged forward financial instruments	-	-
Losses to be spread on hedging contracts of hedged forward financial instruments	100,363	52,039
Expenses to be distributed	340,041	313,196
Prepaid expenses	170,312	81,035
Accrued income	1,323,913	816,491
Other accruals	139,961	1,103,347
TOTAL	**2,133,276**	**2,377,196**

LIABILITIES

	2023 amount	2022 amount
Head office and branch – Network	-	-
Accounts unavailable due to recovery procedures	1,425	1,209
Adjustment accounts	1,536,986	1,300,545
Variation accounts	-	-
Potential gains on unhedged forward financial instruments	-	-
Gains to be spread on hedging contracts of hedged forward financial instruments	444,189	430,648
Deferred income	13,202	18,420
Accrued expenses	799,371	355,238
Other accruals	510,087	601,757
TOTAL	**3,305,260**	**2,707,817**

Articles L.441-6-1 and D.441-4 of the French Commercial Code provide specific information on the due dates of debts to suppliers; the amounts in question are negligible for our company and no invoice was overdue.

2.26 Unamortized balance of the difference between the amount initially received and the redemption price of debt securities

	2023 amount	2022 amount
Issue premium of fixed-income securities	261,401	233,677
Redemption premiums of fixed-income securities	281	442

2.27 Provisions

	2023 amount	Addition	Reversal	2022 amount	Turnaround time
For miscellaneous eventualities	358,000	26,500	-	331,500	> 3 years
For commitment by signature	-	-	63,700	63,700	< 1 year
On swaps	16,149	15,386	78	841	< 1 year
For risks on long-term investments	18,050		124,700	142,750	< 1 year
For taxes and adjustments	120,000	-	-	120,000	> 1 year
Other provisions	11,201	948	5,936	16,189	< 1 year
For social security liabilities	311	311	-	0	< 1 year
TOTAL	**523,711**	**43,145**	**194,414**	**674,980**	**-**

2.28 Equivalent value in euros of the assets and liabilities in currencies outside the Eurozone

ASSETS

	2023 amount	2022 amount
Cash, central banks, CCP	-	-
Government and equivalent securities	-	-
Receivables on credit institutions	16,523,290	16,835,596
Receivables from customers	122,006	203,155
Bonds and other fixed-income securities	0	0
Shares and other variable-income securities	861,797	793,216
Real estate development	-	-
Subordinated loans	-	-
Equity investments and portfolio activities	142,755	145,652
Investments in associates	-	-
Intangible assets	-	-
Property, plant and equipment	-	-
Other assets	926,289	743,189
Accruals	620,083	301,168
TOTAL FOREIGN CURRENCY ACTIVITY	**19,196,220**	**19,021,976**
Percentage of total assets	**8.07%**	**7.73%**

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LIABILITIES

	2023 amount	2022 amount
Central banks, CCP	-	-
Due to credit institutions	9,124,724	10,135,184
Deposits from customers	1,160,726	3,212,712
Debt securities	30,540,697	27,912,469
Other liabilities	174,034	125,117
Accruals	209,615	127,876
Provisions	0	0
Surplus of expenses over income	-63,177	74,004
TOTAL FOREIGN CURRENCY ACTIVITY	**41,146,619**	**41,587,362**
Percentage of total liabilities	**17.30%**	**16.90%**

Note 3 Notes to the off-balance sheet commitments

3.0 Financing commitments given and received

	2023 amount	2022 amount
FINANCING COMMITMENTS GIVEN		
Credit institutions	222,448	285,197
Customers	268,000	618,383
FINANCING COMMITMENTS RECEIVED		
Credit institutions	22,007,990	16,157,884
inc. BDF	*22,007,990*	*16,157,884*
Customers	0	0
TOTAL	**22,498,438**	**17,061,464**

3.1 Guarantee commitments given and received

	2023 amount	2022 amount
GUARANTEES COMMITMENTS GIVEN		
Credit institutions	7,319,598	6,555,876
Customers	71,672	93,431
GUARANTEES RECEIVED		
Credit institutions	0	0
Customers	0	0
TOTAL	**7,391,270**	**6,649,307**

3.2 Assets given as guarantee commitments

	2023 amount	2022 amount
Securities received as guarantees for forward market transactions	25,826	0
Repurchase agreement pledges given	0	0
Other securities assigned under guarantee	34,629,477	47,872,581
inc. BDF	*34,629,477*	*47,872,581*
inc. EIB	*0*	*0*
TOTAL	**34,655,303**	**47,872,581**

CM Home Loan SFH is a 99.9% owned subsidiary of BFCM. Its purpose is to issue exclusively on behalf of its parent company, securities secured by mortgages and similar loans distributed by the Crédit Mutuel and CIC networks. In accordance with the contractual provisions relating to these transactions, the BFCM would be required to pledge assets as guarantee for the issues of CM Home Loan SFH under certain potential conditions (such as the downgrading of the rating below a certain level or the scaling of the mortgage loans). As of December 31, 2023, this dispensatory mechanism did not need to be used.

3.3 Assets received as guarantee

	2023 amount	2022 amount
Securities received as guarantees for forward market transactions	2,682	0
Other securities received under guarantee	3,000	3,000
inc. EIB	*3,000*	*3,000*
TOTAL	**5,682**	**3,000**

The bank refinances itself with the Caisse de Refinancement de l'Habitat by issuing promissory notes in receivables referred to in Article L.313-42 of the French Monetary and Financial Code for a total of €1,543,988 thousand as of December 31, 2023. The home loans guaranteeing these promissory notes are provided by the Crédit Mutuel Alliance Fédérale, of which BFCM is a subsidiary, and amounted at the same date to €3,261,006 thousand.

3.4 Forward currency transactions not yet unwound as of the balance sheet reporting date

	2023 amount		2022 amount	
Forward foreign exchange transactions	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Euros to be received against currencies to be delivered	7,109,436	7,781,394	10,285,495	10,716,097
of which currency swaps	*7,109,436*	*7,781,394*	*6,104,692*	*6,542,406*
Currencies to be received against euros to be delivered	35,927,658	36,721,517	34,426,333	35,134,811
of which currency swaps	*17,724,038*	*18,411,864*	*15,129,429*	*15,515,356*
Currencies to be received against currencies to be delivered	5,661,610	5,550,929	5,982,045	5,945,343
of which currency swaps	-	-	-	-

3.5 Other forward transactions not yet unwound as of the balance sheet reporting date

	2023 amount	2022 amount
TRANSACTIONS ON ORGANIZED AND EQUIVALENT MARKETS ON INTEREST RATE INSTRUMENTS		
Firm hedging transactions	-	-
of which Sales of future contracts	-	-
of which Purchases of future contracts	-	-
Conditional hedging transactions	-	-
Other firm transactions	-	-
of which Sales of future contracts	-	-
OVER-THE-COUNTER TRANSACTIONS IN INTEREST RATE INSTRUMENTS		
Firm hedging transactions	379,172,120	303,753,369
of which interest-rate swaps	*369,162,556*	*297,501,987*
Currency-rate swaps	*10,009,565*	*6,251,382*
Purchase of floor	*0*	*0*
Sale of floor	-	-
Conditional hedging transactions	100,000	100,000
of which Purchase of swap option	-	-
Sale of swap option	-	-
of which Purchase of cap/floor	*100,000*	*100,000*
Sale of cap/floor	-	-
Other firm transactions	4,166,000	2,682,200
of which interest-rate swaps	*4,166,000*	*2,682,200*
Currency-rate swaps	-	-
Other conditional transactions	-	-
OVER-THE-COUNTER TRANSACTIONS IN FOREIGN EXCHANGE INSTRUMENTS		
Conditional hedging transactions	62,267	64,713
of which Purchase exchange-rate options	*26,644*	*27,705*
Sales of exchange-rate options	*35,623*	*37,008*
OVER-THE-COUNTER TRANSACTIONS IN INSTRUMENTS OTHER THAN INTEREST RATE AND FOREIGN EXCHANGE INSTRUMENTS		
Firm hedging transactions	-	-
of which Purchase of forward commitments (NDF)	-	-
Sales of forward commitments (NDF)	-	-
Conditional hedging transactions	-	-
of which Purchase of option	-	-
Sales of option	-	-

3.6 Breakdown of forward transactions not yet unwound according to residual maturity

	2023 amount			2022 amount		
	Less than one year	More than a year to five years	More than five years	Less than one year	More than a year to five years	More than five years
Foreign currency transactions	28,718,531	19,574,994	1,760,315	31,897,474	17,441,818	2,456,959
TRANSACTIONS ON ORGANIZED MARKETS ON INTEREST RATE INSTRUMENTS						
Firm transactions	-	-	-	-	-	-
of which Sales of future contracts	-	-	-	-	-	-
of which Purchases of future contracts	-	-	-	-	-	-
Other firm transactions	-	-	-	-	-	-
of which Sales of future contracts	-	-	-	-	-	-
OVER-THE-COUNTER TRANSACTIONS IN INTEREST RATE INSTRUMENTS						
Firm transactions	62,451,810	172,811,315	148,074,995	53,452,736	158,998,512	93,984,321
of which swaps	*62,451,810*	*172,811,315*	*148,074,995*	*53,452,736*	*158,998,512*	*93,984,321*
Purchase of floor	-	-	*0*	-	-	*0*
Sale of floor	-	-	-	-	-	-
Conditional hedging transactions	-	-	100,000	-	-	100,000
of which Purchase of swap option	-	-	-	-	-	-
Sale of swap option	-	-	-	-	-	-
of which Purchase of cap/floor	-	-	*100,000*	-	-	*100,000*
Sale of cap/floor	-	-	-	-	-	-
Other conditional transactions	-	-	-	-	-	-
OVER-THE-COUNTER TRANSACTIONS IN FOREIGN EXCHANGE INSTRUMENTS						
Conditional hedging transactions	-	62,267	-	-	64,713	-
of which Purchase exchange-rate options	-	*26,644*	-	-	*27,705*	-
Sales of exchange-rate options	-	*35,623*	-	-	*37,008*	-
OVER-THE-COUNTER TRANSACTIONS ON OTHER FORWARD INSTRUMENTS						
Firm transactions	-	-	-	-	-	-
of which Purchase of forward commitments (NDF)	-	-	-	-	-	-
Sales of forward commitments (NDF)	-	-	-	-	-	-
Conditional transactions	-	-	-	-	-	-
of which Purchase of option	-	-	-	-	-	-
Sales of option	-	-	-	-	-	-

3.7 Commitments with equity investments and fully-consolidated subsidiaries

COMMITMENTS GIVEN

	2023 amount	2022 amount
Financing commitments	100,000	182,850
Guarantee commitments	7,267,272	5,602,253
Commitments on currency transactions	330,094	8,972,930
Commitments on forward financial instruments	63,074,448	43,455,032
Securities commitments	-	-
TOTAL	**70,771,814**	**58,213,065**

COMMITMENTS RECEIVED

	2023 amount	2022 amount
Financing commitments	-	-
Guarantee commitments	3,000	3,000
Commitments on currency transactions	251,928	8,977,518
Commitments on forward financial instruments	-	-
Securities commitments	-	-
Commitments on conditional transactions	35,570	37,008
TOTAL	**290,498**	**9,017,526**

This table includes commitments received and given on equity investments and fully-consolidated subsidiaries in the BFCM consolidation.

3.8 Fair value of derivatives

	2023 amount		2022 amount	
	Assets	Liabilities	Assets	Liabilities
RATES RISKS – HEDGE ACCOUNTING (MACRO-MICRO)				
Conditional or optional instruments	-	7,597	-	2,684
Firm instruments other than swaps	-	503	-	219
Embedded derivatives	37,223	18,738	89,838	8,052
Swaps	6,970,390	9,986,625	8,360,342	14,059,501
RATES RISKS – EXCLUDING HEDGE ACCOUNTING				
Conditional or optional instruments	-	-	-	-
Firm instruments other than swaps	-	-	-	-
Embedded derivatives	56,345	5,408	50,715	6,328
Swaps	30,607	71,863	77,835	123,165
FOREIGN EXCHANGE RISK				
Conditional or optional instruments	-	-	-	-
Firm instruments other than swaps	-	-	-	-
Swaps	57,627	3,815	61,759	11,493

The presentation of this appendix is the result of the application of CRC Regulations No. 2004-14 to 2004-19 relating to disclosures on the fair value of financial instruments. The fair value of derivative instruments is determined in relation to the market value, or by the application of market models.

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Note 4 Notes to the income statement

4.1 Interest income and expenses

	2023 income	2022 income
Income on transactions with credit institutions	14,394,840	3,872,549
Income on transactions with customers	35,227	10,426
Income on bonds or other fixed-income securities	528,621	327,312
Income on subordinated loans	234,755	78,615
Other income of an interest character	7,759	6,660
Reversals/allocations of provisions relative to interest on non-performing loans	26	-
Reversals/allocations of provisions of an interest character	-	-
TOTAL	**15,201,228**	**4,295,562**

	2023 expenses	2022 expenses
Expenses on transactions with credit institutions	11,749,356	2,754,908
Expenses on transactions with customers	309,499	33,419
Expenses on bonds or other fixed-income securities	2,605,538	1,045,718
Expenses on subordinated loans	322,847	213,456
Other expenses of an interest character	164,501	140,519
Reversals/allocations of provisions relative to interest on non-performing loans	-	-
Reversals/allocations of provisions of an interest character	-5,936	5,936
TOTAL	**15,145,805**	**4,193,956**

4.2 Breakdown of income from variable-income securities

	2023 amount	2022 amount
Income from shares and other variable-income short-term investment securities	15,984	16,438
Income from equity investments and subsidiaries	651,585	1,234,677
Income from securities relating to the portfolio activity	-	-
TOTAL	**667,568**	**1,251,115**

4.3 Commissions

	2023 income	2022 income
Commissions on transactions with credit institutions	8	16,332
Commissions on transactions with customers	219	398
Commissions relative to securities transactions	54	39
Commissions on foreign exchange transactions	13	21
Commissions on financial services	169,190	147,928
Commissions on off-balance sheet transactions	-	-
Miscellaneous operating commissions	35	88
Reversal of provisions relating to commissions	-	-
TOTAL	**169,519**	**164,806**

	2023 expenses	2022 expenses
Commissions on transactions with credit institutions	4,828	9,999
Commissions on transactions with customers	11	8
Commissions relative to securities transactions	7,983	7,655
Commissions on foreign exchange transactions	1,088	954
Commissions on financial services	157,747	131,641
Commissions on off-balance sheet transactions	-	-
Miscellaneous operating commissions	3,380	2,098
Allocations to provisions relating to commissions	-	-
TOTAL	**175,037**	**152,355**

4.4 Profit or loss on the trading book

	2023 amount	2022 amount
Trading securities	215	37
Currency transactions	25,110	-30,420
Forward financial instruments	-99	-9,896
Net allocations/reversals of provisions	-15,307	-35
TOTAL	**9,919**	**-40,314**

4.5 Profit or loss on the short-term investment securities and equivalent portfolio

	2023 amount	2022 amount
Acquisition fees on short-term investment securities	-	-
Net capital gain or loss on disposal	-115,291	-9,039
Net allocations or reversals of provisions	91,599	-139,196
TOTAL	**-23,692**	**-148,235**

In 2023, reversals of provisions included an amount of €50,558 thousand relating to the BOA share. At December 31, 2022, BFCM had set aside €60,391 thousand for this same BOA share.

Following the withdrawal of TARGOBANK in Spain in 2023, BFCM reversed the provision for recapitalization risk of €63,700 set aside in 2022 and recognized a capital loss on disposal of €69,153 thousand.

4.6 Other operating income or expenses

	2023 amount	2022 amount
Miscellaneous operating income	232	137,320
Miscellaneous operating expenses	-27,117	-566
TOTAL	**-26,885**	**136,754**

As of December 31, 2022, BFCM had a stock of provisions for miscellaneous contingencies of €331,500 thousand related to its exposure on the continent of Africa. At December 31, 2023, this exposure has been adjusted (provisioned) upwards by €26,500 thousand.

4.7 General operating expenses

	2023 amount	2022 amount
Wages and salaries	9,324	8,274
Pensions expenses	1,178	1,086
Other social security contributions	3,166	2,783
Employee profit-sharing and incentive schemes	1,150	1,030
Payroll-based taxes	1,763	1,562
Other taxes and duties	16,035	12,846
External services	41,669	45,011
Allocations/reversals of provisions on general operating expenses	1,116	-
Other miscellaneous expenses	18,559	23,131
Rebilled expenses	-2,713	-2,802
TOTAL	**91,247**	**92,921**

As part of the implementation of a compensation and termination benefit system within CF de CM for the Chairman and Chief Executive Officer, as of June 1, 2019, the Board of Directors of BFCM decided on February 20, 2019 that the terms of office of Chairman of the Board of Directors and Chief Executive Officer would no longer be remunerated as of June 1, 2019.

The total amount of direct and indirect compensation paid to the executives of BFCM by the group amounted to €9,798,056.54 in 2023 compared to €9,619,060.50 in 2022. No attendance fees were paid.

In accordance with ANC Regulation 2016-07, the fees paid to the statutory auditors are detailed below:

(In thousands of euros ex VAT)	PWC France	KPMG	Other
Audit of the accounts	125	181	
Non-audit services [1]	230	235	289

(1) The services provided cover the SACCs provided at the request of the entity, corresponding to comfort letters in connection with market transactions and reports and certificates required for regulatory purposes.

4.8 Cost of risk

	2023 amount	2022 amount
Allocations to provisions related to receivables	-8,772	-14,124
Reversals of provisions related to receivables	352	8,090
Profit/loss on loan losses covered by provisions	0	91
Loan losses not covered by provisions	0	-20
TOTAL	**8,420**	**-5,963**

4.9 Profit/loss on non-current assets

	2023 amount	2022 amount
Profit or loss on property, plant and equipment	-	-
Profit or loss on non-current financial assets	-605,346	42,728
Allocations/reversals of provisions on non-current assets	1,023,313	-268,415
Allocations/reversals of provisions for risks and expenses	124,700	-79,350
TOTAL	**542,667**	**-305,037**

In 2023, the disposal of the Spanish subsidiary TARGOBANK generated a capital loss of €605,549 thousand, fully offset by a reversal of provisions for the same amount. In addition, the provision for SIM has been adjusted from €35,300 thousand (allocations) to €58,100 thousand (allocations) in 2022.

Lastly, in 2023 BFCM reversed the provision for risks and charges relating to the recapitalization of the Press companies, amounting to €124,700 thousand.

This recapitalization was carried out by SIM (the press group's holding company) in the first half of 2023.

4.10 Non-recurring income

	2023 amount	2022 amount
Profit/loss of partnerships	-	-
Other extraordinary income	-	-
Allocations/reversals of provisions on partnerships	-	-
TOTAL	**0**	**0**

4.11 Breakdown of income tax

	2023 amount	2022 amount
(A) Tax on ordinary income	-6,083	4
(B) Tax on extraordinary items	0	0
(C) Tax on previous fiscal years	35	4,170
(A+B+C) Income tax due pursuant to the fiscal year	**-6,048**	**4,174**
Allocations to provisions of a corporate income tax character	0	0
Reversals of provisions of a corporate income tax character	0	0
CORPORATE INCOME TAX FOR THE FISCAL YEAR	**-6,048**	**4,174**

4.12 Other information: Workforce

Average workforce (FTE)	2023 amount	2022 amount
Bank technical staff	19	19
Managers	78	62
TOTAL	**97**	**81**

8.2 INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS

The amounts are presented in thousands of euros.

A. DETAILED INFORMATION CONCERNING THE INVESTMENTS WITH A GROSS CARRYING AMOUNT OVER 1% OF OUR SHARE CAPITAL *I.E.*: €17,112,797

	Share capital at 12/31/2022	Shareholders' equity other than capital and profit/(loss) at 12/31/2022	Share of capital held at 12/31/2023 *(as a %)*
1) SUBSIDIARIES (MORE THAN 50% OF THE SHARE CAPITAL IS HELD BY OUR COMPANY)			
Mutuelles Investissement SA (formerly Devest 15), Strasbourg	930,000	211,523	90.00
CM Caution Habitat SA (formerly Devest 16), Strasbourg	310,037	9,752	100.00
Crédit Mutuel – Home Loan SFH (formerly CM-CIC Covered Bonds), SA, Paris	220,000	2,400	100.00
SIM (formerly EBRA), SAS, Houdemont	83,767	15,147	100.00
CM Immobilier (formerly Ataraxia), SAS, Orvault	51,760	64,539	100.00
Cigogne Management, Luxembourg	125	14,813	100.00
CIC Private Debt, Paris	625	14,961	100.00
Banque Européenne du Crédit Mutuel, BECM, SAS, Strasbourg	134,049	1,535,515	96.08
Crédit Industriel et Commercial, SA, Paris	612,000	14,904,000	93.18
Cofidis Group (formerly Cofidis Participations), SA, Villeneuve-d'Ascq	112,658	1,886,155	79.99
Factofrance SAS, Paris	507,452	641,613	100.00
TARGOBANK in Spain (formerly Banco Popular Hipotecario), Madrid, Spain	0	0	0.00
TARGOBANK Deutschland GmbH, Düsseldorf, Germany	625,526	2,859,105	100.00
Groupe des Assurances du Crédit Mutuel, SA, Strasbourg	1,241,035	6,929,821	50.04
Beobank, Brussels, Belgium	333,782	386,587	51.00
Nord Europe Lease (Actea Immobilier lease), Mont-Saint-Aignan	35,091	21,605	100.00
CM-CIC AM, Strasbourg	3,872	72,325	100.00
2) SHAREHOLDING (FROM 10% TO 50% OF THE SHARE CAPITAL IS HELD BY OUR COMPANY)			
Fonds Révolution Environnementale et Solidaire, Paris	362,000	NC	50.00
CM Real Estate Lease, SA, Paris	64,399	49,009	45.94
Caisse de Refinancement de l'Habitat, SA, Paris	578,384	24,273	10.43
Banque de Tunisie, Tunis, Tunisia	270,000 [1]	842,559 [1]	35.33
3) OTHER EQUITY INVESTMENTS (THE SHARE CAPITAL HELD BY OUR COMPANY IS LESS THAN 10%)			
EPI Interim Company, Molenbeek-Saint-Jean, Belgium	99,386	0	6.49

(1) Amounts expressed in thousands of Tunisian dinar (TND).
(2) Net revenue and net income expressed in thousands of Tunisian dinar (TND).
(3) Revenue "Not applicable" for the company.
(4) Net revenue for Credit and Financial Institutions.

Carrying amount of securities held at 12/31/2023		Carrying amount of securities held at 12/31/2023	Amount of deposits and endorsements provided by the Bank at 12/31/2023	Revenue at 12/31/2022	Net profit or loss at 12/31/2022	Dividends net cash deposits by the Bank at 12/31/2023	Comments
Gross	Net						
837,000	837,000	0	0	0 [3]	64,735	0	
310,037	310,037	100,000	0	3,119 [4]	1,462	0	
220,000	220,000	6,117,887	0	9,900 [4]	6,600	6,160	
871,437	478,687	0	0	19,137	-5,964	0	
100,986	100,986	0	0	6,449	9,258	0	
55,700	55,700	0	0	30,923	5,066	2,100	
110,187	110,187	0	0	22,352	7,213	0	
465,755	465,755	5,835,679	3,097,547	353,480 [4]	3,889	57,633	
4,146,391	4,146,391	70,926,445	3,153,527	6,327,000 [4]	2,289,000	0	Consolidated business
1,553,769	1,553,769	15,358,049	0	1,399,214 [4]	129,695	0	Consolidated business
1,460,802	1,386,642	5,870,015	400,000	151,737 [4]	40,279	0	
0	0	0	0	0 [4]	0	0	
5,696,196	5,696,196	1,988,538	725,000	59,649	105,669	0	Consolidated business
1,269,111	1,269,111	650,000	0	13,410,477	835,173	557,301	Consolidated business
267,786	267,786	1,160,000	0	273,372 [4]	30,159	7,690	
40,336	40,336	1,828,780	0	5,138 [4]	2,097	2,012	
234,543	234,543	0	0	307,584	6,326	0	
181,000	181,000	0	0	0 [3]	NC	0	
47,779	47,779	5,332,107	0	33,800 [4]	10,405	2,385	
62,768	62,768	0	77,199	3,690 [4]	1,177	0	
210,802	210,802	0	0	428,815 [2]	168,562 [2]	7,196	Consolidated business
20 266	20,266	0	0	0	-35 292	0	

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B. OVERALL INFORMATION CONCERNING EQUITY INVESTMENTS

	Share capital at 12/31/2022	Shareholders' equity other than capital and profit/(loss) at 12/31/2022	Share of capital held at 12/31/2023 *(as a %)*
1) SUBSIDIARIES NOT INCLUDED IN PARAGRAPH A			
a) French subsidiaries (together)	-	-	-
of which SNC Rema, Strasbourg	-	-	-
b) foreign subsidiaries (together)	-	-	-
2) EQUITY INVESTMENTS NOT INCLUDED IN PARAGRAPH A			
a) French equity investments (together)	-	-	-
b) foreign equity investments (together)	-	-	-
3) OTHER EQUITY INVESTMENTS NOT COVERED IN PARAGRAPH A			
a) other equity investments in French companies (together)	-	-	-
b) other equity investments in foreign companies (together)	-	-	-

Carrying amount of securities held at 12/31/2022		Carrying amount of securities held at 12/31/2023	Amount of deposits and endorsements provided by the Bank at 12/31/2023	Revenue at 12/31/2022	Net profit or loss at 12/31/2022	Dividends net cash deposits by the Bank at 12/31/2023
Gross	Net					
56,849	43,867	51,652	0			1,080
305	*305*	*0*	*0*			*0*
0	0					
23,278	23,265	10,920	0			4,510
830	830	0	0			0
22,858	22,510	0	0			2,968
1,146	1,146	0	0			0

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8.3 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2023

To the Shareholders' Meeting

Opinion

In performance of the mission entrusted to us by your Shareholders' Meeting, we have audited the annual financial statements of BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL for the fiscal year ended December 31, 2023, as appended to this report.

We certify that the annual financial statements are, with regard to French accounting principles and rules, a fair presentation and give a true image of the profit or loss of the past fiscal year and the financial position and assets of the company at the end of this fiscal year.

Basis of the opinion

Accounting basis

We conducted our audit according to applicable professional standards in France. We appraise that the items that we collected were of a sufficient and appropriate basis on which to form our opinion.

The responsibilities incumbent upon us pursuant to these standards are expressed in the section "Responsibilities of statutory auditors relating to the audit of the annual financial statements" in this report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for by the French Commercial Code and the French code of conduct (*Code de déontologie*) for statutory auditors for the period from January 1, 2023 to the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014, with the exception, for the firm KPMG, of a non-material service rendered to certain companies of an unconsolidated sub-group, which does not affect its professional judgment or the expression of its opinion or the exercise of its mission of certifying the annual financial statements of Banque Fédérative du Crédit Mutuel.

Justification of the assessment – Key points of the audit

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code pertaining to justification of our assessment, we bring to your attention the key points of the audit as they pertain to the risk of material misstatements which, according to our professional judgment, were the most important for the audit of the annual financial statements for the fiscal year, as well as our responses to these risks.

The assessments made in this way fall within the scope of the audit of the annual financial statements taken as a whole and the formation of our opinion as expressed above. We do not express an opinion on isolated items of the annual financial statements.

VALUATION RISK ON EQUITY AND OTHER LONG-TERM INVESTMENTS AND INVESTMENTS IN ASSOCIATES

Identified risk	Our response
As of December 31, 2023, equity and other long-term investments and investments in associates amounted to €343 million and €17,462 million, respectively, and are among the items with the highest value in your company's balance sheet. As indicated in note 1.5 to the financial statements, equity and other long-term investments and investments in associates are recognized at historical cost and impaired when their value in use, which represents what the company would be willing to pay out to obtain them if it were to acquire them, is less than the carrying amount. The value in use is estimated by the company on the basis of the value of the shareholders' equity at the end of the fiscal year of the entities concerned, their level of profitability and their business forecasts. For listed securities, the value in use is determined by also taking into consideration the average share price over the last month. The estimate of the value in use of these securities requires the exercise of the company's judgment in selecting the items to be considered according to the securities concerned. These items may correspond, depending on the case, to historical data (for certain entities, net assets (possibly adjusted) and, for other entities, average stock market prices for the last month), or to forecast information (level of profitability and outlook for future activity). Since judgment is used when selecting the criteria and the provisional information used by the company to estimate the value in use, we considered that the valuation of equity investments and other long-term investments and investments in associates constitutes a key point of our audit.	In order to assess the reasonable nature of the estimate of the values in use of the equity investments and other long-term investments and investments in associates, on the basis of the information provided to us, our work consisted mainly of assessing that the estimate of these values determined by the company is based on an appropriate justification of the valuation method and the figures used and, depending on the securities concerned, in: ■ For valuations based on historical data: ■ verifying that the shareholders' equity used is consistent with the financial statements of audited entities or analytical procedures and that any adjustments made to this equity, if applicable, are based on relevant documentation, ■ checking the share prices used by your company for valuations based on observable market data; ■ For valuations based on forward-looking information: ■ reviewing the documentation justifying the values in use, ■ analyzing the valuation methods and parameters used by the company; ■ In addition to assessing the value in use of equity investments, our work also consisted in: ■ assessing the recoverability of related receivables in the light of analyses carried out on equity investments and investments in associates, ■ controlling the recognition of a provision for risks in cases where the company is committed to bearing the losses of a subsidiary with negative shareholders' equity.

Specific checks

In accordance with the professional standards applicable in France, we also made the specific legal and regulatory checks.

Information provided in the management report and in other documents on the financial position and the annual financial statements addressed to shareholders

We have no comments to make on the fairness and consistency with the annual financial statements of the information given in the management report from the Board of Directors and in the other documents on the financial position and the annual financial statements sent to shareholders.

The fair presentation and the consistency with the annual financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code call for the following observation:

As indicated in the management report, this information does not include banking and related transactions, as your company considers that they do not fall within the scope of the information to be produced.

Corporate governance report

We certify the existence, in the section of the Board of Directors' management report on corporate governance, of the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other verifications or information required by laws and regulations

Presentation format of the annual financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors with respect to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified that the annual financial statements to be included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are the responsibility of the Chief Executive Officer, comply with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of statutory auditors

We were appointed statutory auditors of BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL by your Shareholders' Meetings of May 11, 2016 for PricewaterhouseCoopers France, and May 10, 2022 for KPMG S.A.

As of December 31, 2023, PricewaterhouseCoopers France was in the eighth year of its uninterrupted mission and KPMG S.A. in the second year.

Responsibilities of management and persons comprising the corporate governance as regards the annual financial statements

It is the responsibility of management to prepare annual financial statements presenting a true and fair view, in accordance with French accounting rules and principles, as well as to implement the internal controls that it deems necessary for the preparation of annual financial statements without material misstatements, whether due to fraud or are the result of errors.

During the preparation of the annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, and as the case may be, the necessary information with regard to business continuity and to apply the standard accounting policy for a going concern, unless it expects to liquidate the company or cease doing business.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the statutory auditors relating to the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our goal is to receive reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards may systematically detect every material misstatement. Misstatements may come from fraud or result from errors and are considered as significant when one can reasonably expect that they may, either individually or cumulatively, influence economic decisions made by users who make decisions based on the financial statements.

As specified by Article L.821-55 of the French Commercial Code, our mission of certification of financial statements does not consist of guaranteeing the viability or quality of your company's management.

In the context of an audit completed in accordance with professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit process.

Furthermore:

- they identify and assess the risks that the annual financial statements contain material misstatements, whether they are due to fraud or result from errors, define and implement audit procedures faced with these risks and gather items that they believe are sufficient and appropriate on which to base their opinion. The risk of non-detection of a material misstatement from fraud is higher than a material misstatement resulting from any error, because fraud may involve collusion, falsification, deliberate omissions, false statements or circumventing internal controls;
- they acknowledge relevant internal control for the audit in order to determine the appropriate audit procedures for the circumstance, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as information concerning estimates provided in the annual financial statements;
- they assess the appropriateness of application by management of the accounting policy for a going concern and, depending on the items gathered, the existence or not of any significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment relies on the items collected up to the date of their report, however, with the reminder that subsequent circumstances or events could call into question business continuity. If they conclude that significant uncertainty exists, they draw the attention of readers of their report to the information provided in the annual financial statements concerning this uncertainty or, if this information is not provided or is not relevant, express reservations about certification or refuse to certify them;
- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events in a manner that presents a true and fair view.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 9, 2024

The statutory auditors

KPMG S.A.		PricewaterhouseCoopers France
Sophie Sotil-Forgues Partner	Arnaud Bourdeille Partner	Laurent Tavernier Partner

8.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2023

To the Shareholders' Meeting

In our role as statutory auditors of your company, we present our report on the regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, the main terms and conditions as well as the reasons justifying the interest for the company of the agreements of which we have been informed or that we have discovered during our mission, without having to comment on their utility or merits nor to look for the existence of other agreements. It is your responsibility, in accordance with the terms of Article R.225-31 of the French Commercial Code, to assess the value of entering into these agreements with a view to their approval.

In addition, it is our responsibility, where appropriate, to provide you with the information set out in Article R.225-31 of the French Commercial Code relating to the performance during the past fiscal year of the agreements already approved by the Shareholders' Meeting.

We performed the due diligence we considered necessary in light of the professional standards of the *Compagnie nationale des commissaires aux comptes* for this mission. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it has been extracted.

AGREEMENTS SUBMITTED TO THE SHAREHOLDERS' MEETING FOR APPROVAL

We hereby inform you that we were not given notice of any agreement authorized and agreed during the past fiscal year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we were not given notice of any agreement already approved by the Shareholders' Meeting, the execution of which continued during the past fiscal year.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 9, 2024

The statutory auditors

KPMG S.A.

Sophie Sotil-Forgues
Partner

Arnaud Bourdeille
Partner

PricewaterhouseCoopers France

Laurent Tavernier
Partner

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The **For My Planet – Act For The Future** association raises teenagers' awareness of the impact of climate change on their immediate environment through scientific and ecological expeditions. The Crédit Mutuel Alliance Fédérale Foundation is working alongside the association to enable it to expand into several new regions.

9

Capital and legal information

9.1 SHARE CAPITAL

At December 31, 2023, the share capital stands at €1,715,115,100.00. It is divided into 34,302,302 shares each with a nominal value of €50.00, all of the same class.

History of operations carried out:

- on January 6, 2022, a capital increase reserved for the CMNE regional bank took place through the issue of 455,004 new shares with a nominal value of €50.
- a capital increase took place on September 15, 2023 with the issue of 76,708 new shares with a nominal value of €50.

BFCM has no unissued authorized capital or exchangeable or redeemable convertible bonds granting access to capital.

Shares of BFCM are not listed or traded on any market.

9.2 SHAREHOLDING

9.2.1 Breakdown of share capital and voting rights

The table below shows change in BFCM's ownership structure over the last three years:

	Situation at 12/31/2023			Situation at 12/31/2022			Situation at 12/31/2021		
Shareholders	Number of shares	% held	Nominal amount held *(in euros)*	Number of shares	% held	Nominal amount held *(in euros)*	Number of shares	% held	Nominal amount held *(in euros)*
Caisse Fédérale de Crédit Mutuel	31,399,922	91.54%	1,569,996,100	31,399,922	91.74%	1,569,996,100	31,401,262	92.98%	1,570,063,100
Caisse Régionale du Crédit Mutuel de Loire-Atlantique et du Centre Ouest	752,608	2.19%	37,630,400	741,949	2.17%	37,097,450	741,949	2.20%	37,097,450
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie	468,327	1.37%	23,416,350	459,722	1.34%	22,986,100	459,722	1.36%	22,986,100
Caisse Régionale du Crédit Mutuel Nord Europe	455,015	1.33%	22,750,750	455,015	1.33%	22,750,750	1	0.00%	50
Caisse Régionale du Crédit Mutuel du Centre	315,440	0.92%	15,772,000	308,716	0.90%	15,435,800	308,716	0.91%	15,435,800
Caisse Régionale du Crédit Mutuel d'Anjou	180,574	0.53%	9,028,700	175,991	0.51%	8,799,550	175,991	0.52%	8,799,550
Caisse Fédérale du Crédit Mutuel Océan	177,478	0.52%	8,873,900	172,116	0.50%	8,605,800	172,116	0.51%	8,605,800
Caisse Régionale du Crédit Mutuel d'Île-de-France	164,292	0.48%	8,214,600	146,411	0.43%	7,320,550	146,411	0.43%	7,320,550
Caisse Régionale du Crédit Mutuel de Normandie	127,614	0.37%	6,380,700	123,766	0.36%	6,188,300	123,766	0.37%	6,188,300
Caisse Régionale du Crédit Mutuel Méditerranéen	78,925	0.23%	3,946,250	74,450	0.22%	3,722,500	74,460	0.22%	3,723,000
Caisse du Crédit Mutuel du Sud Est	65,989	0.19%	3,299,450	61,535	0.18%	3,076,750	61,535	0.18%	3,076,750
Caisses de Crédit Mutuel de la Fédération Centre Est Europe	59,066	0.17%	2,953,300	59,066	0.17%	2,953,300	59,066	0.17%	2,953,300
Caisse Régionale du Crédit Mutuel Midi-Atlantique	27,965	0.08%	1,398,250	24,484	0.07%	1,224,200	24,484	0.07%	1,224,200
Caisses de Crédit Mutuel de la Fédération Sud Est	5,704	0.02%	285,200	5,704	0.02%	285,200	5,704	0.02%	285,200
Caisse Régionale du Crédit Mutuel Antilles-Guyane	3,218	0.01%	160,900	2,851	0.01%	142,550	2,851	0.01%	142,550

Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais	6,599	0.02%	329,950	2,470	0.01%	123,500	2,470	0.01%	123,500
Caisses de Crédit Mutuel de la Fédération Île-de-France	1,890	0.01%	94,500	1,890	0.01%	94,500	1,890	0.01%	94,500
Caisses de Crédit Mutuel de la Fédération Loire-Atlantique et du Centre Ouest	1,480	0.00%	74,000	1,480	0.00%	74,000	1,480	0.00%	74,000
Caisses de Crédit Mutuel de la Fédération Méditérranéen	1,450	0.00%	72,500	1,450	0.00%	72,500	1,440	0.00%	72,000
Caisses de Crédit Mutuel de la Fédération Midi-Atlantique	1,172	0.00%	58,600	1,172	0.00%	58,600	1,172	0.00%	58,600
Caisses de Crédit Mutuel de la Fédération Centre	1,040	0.00%	52,000	1,040	0.00%	52,000	1,040	0.00%	52,000
Caisses de Crédit Mutuel de la Fédération Normandie	910	0.00%	45,500	910	0.00%	45,500	910	0.00%	45,500
Caisses de Crédit Mutuel de la Fédération Nord Europe	1,330	0.00%	66,500	1,330	0.00%	66,500			
Caisses de Crédit Mutuel de la Fédération Dauphiné-Vivarais	551	0.00%	27,550	551	0.00%	27,550	551	0.00%	27,550
Caisses de Crédit Mutuel de la Fédération Savoie-Mont Blanc	500	0.00%	25,000	500	0.00%	25,000	500	0.00%	25,000
Caisses de Crédit Mutuel de la Fédération Anjou	400	0.00%	20,000	400	0.00%	20,000	400	0.00%	20,000
Caisses de Crédit Mutuel de la Fédération Massif Central	300	0.00%	15,000	300	0.00%	15,000	300	0.00%	15,000
Caisses de Crédit Mutuel de la Fédération Antilles-Guyane	260	0.00%	13,000	260	0.00%	13,000	260	0.00%	13,000
Fédération du Crédit Mutuel Centre Est Europe	81	0.00%	4,050	81	0.00%	4,050	81	0.00%	4,050
Natural persons	42	0.00%	2,100	42	0.00%	2,100	42	0.00%	2,100
Caisse Régionale du Crédit Mutuel Massif Central	10	0.00%	500	10	0.00%	500	10	0.00%	500
Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc	2,150	0.01%	107,500	10	0.00%	500	10	0.00%	500
TOTAL	**34,302,302**	**100.00%**	**1,715,115,100**	**34,225,594**	**100.00%**	**1,711,279,700**	**33,770,590**	**100.00%**	**1,688,529,500**

The main shareholders of BFCM do not hold different voting rights.

9.2.2 Specific information on control

The company is controlled as described in paragraph 9.2.1.

With regard to the prevention of any improper control, it should be noted that all of the transactions between the Caisse Fédérale de Crédit Mutuel and the BFCM are signed under normal market conditions.

The company believes that there is no risk of control being abused.

9.2.3 Change of control

BFCM's articles of association contain stipulations that delay, defer or prevent a change of control, in that they limit the possibility of becoming BFCM shareholders to certain strictly specified persons, and require the prior approval of the Board of Directors for the transfer of shares.

To BFCM's knowledge, no agreement exists that might result in a change in its control at a later date.

9.3 DIVIDEND DISTRIBUTION POLICY

In terms of its dividend distribution policy, BFCM favors a long-term shareholding structure composed almost exclusively of Crédit Mutuel Alliance Fédérale entities. As such, it regularly pays its shareholders a reasonable dividend, while strengthening equity by transferring to reserves the portion of its profits required for development and risk coverage, in compliance with regulatory ratios.

CHANGES IN EARNINGS AND DIVIDENDS

	2019	2020	2021	2022	2023
Number of shares as of December 31	33,770,590	33,770,590	33,770,590	34,225,594	34,302,302
Profit/loss ***(in € per share)***	59.33	20.14	36.42	26.69	32.47
Dividend ***(in € per share)***	8.90	3.02	6.72	5.34	4.87

**By deduction from the optional reserve.*

If a dividend is not claimed, it will be subject to Article L.1126-1 paragraph 3 of the French General Public Persons Property Code, which provides that "shall definitively vest to the State […] deposits of sums of money and, in general, all cash assets in banks, credit institutions and all other institutions that receive funds on deposit or in current accounts, where such deposits or assets have not been the subject of any transaction or claim by the beneficiaries for 30 years […]."

9.4 MISCELLANEOUS INFORMATION

9.4.1 Company and trade name

Banque Fédérative du Crédit Mutuel

Acronym: BFCM

9.4.2 Place of incorporation, LEI and registration number

Strasbourg B 355 801 929

APE/NAF business identifier code: 6419Z

LEI number: VBHFXSYT7OG62HNT8T76

9.4.3 Date of incorporation and term

The company was created on October 28, 1955. Its term will expire on October 27, 2054, unless it is dissolved or its term is extended before that date.

9.4.4 Company purpose and *raison d'être*

(Article 2 of the articles of association)

The purpose of the company is:

- to organize and develop the diversification activities of the group that it forms with the Caisses de Crédit Mutuel within its own business scope, Caisse Fédérale de Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe;
- to undertake for its own account, on behalf of third parties or as a joint venture, in France and abroad, all banking transactions and all related and contiguous transactions, to perform all insurance brokerage activities and more generally all insurance intermediation activities, and all other transactions in the area of business of a bank, in accordance with the regulations and legislation in force;
- to take and manage any direct or indirect shareholding in any French or foreign company via the establishment of new companies, contributions, subscriptions or purchases of securities or rights, mergers, associations or joint ventures, underwriting syndicates or other;
- and generally perform any financial, industrial, commercial, securities or real estate transactions directly or indirectly related to the aforementioned purposes or falling within the area of business of a bank.

The company also seeks to provide investment services governed by the French Monetary and Financial Code.

(Article 2*bis* of the articles of association)

Banque Fédérative du Crédit Mutuel is part of the Crédit Mutuel group. Caisse Fédérale de Crédit Mutuel, within Crédit Mutuel Alliance Fédérale, embraces the *raison d'être*: "*Ensemble, écouter et agir*" (listening and acting together).

9.4.5 Other information about the issuer

Corporate fiscal year: From January 1 to December 31 each year.

BFCM registered office: 4 rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg, France.

BFCM contact address: 6 rue de Provence, 75452 Paris Cedex 09, France.

Phone: +33 (0)1 53 48 77 02

Website: www.bfcm.creditmutuel.fr [1]

The articles of association, minutes of the Shareholders' Meeting and reports can be consulted at the registered office: 4 rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg.

9.4.6 Legislation governing activities and legal form

BFCM, a French public limited company (*société anonyme*) is governed by the provisions of the French Commercial Code on public limited companies and the laws applicable to French credit institutions, mainly codified by the French Monetary and Financial Code. BFCM is a member of the French Banking Federation (FBF).

9.4.7 Date of the latest financial information

The most recent approved financial information of BFCM dates from December 31, 2023.

9.4.8 Significant changes

There was no significant change in the financial performance of Crédit Mutuel Alliance Fédérale and BFCM between December 31, 2023 and the date of filing of this universal registration document.

9.4.9 Recent events specific to BFCM of material interest when assessing its solvency

No significant event relating to the financial or commercial situation of Crédit Mutuel Alliance Fédérale and BFCM consolidated has occurred since the publication on February 7, 2024 of the financial statements for the year ended December 31, 2023, which could affect the solvency of Crédit Mutuel Alliance Fédérale and BFCM consolidated.

9.4.10 Major contracts

To date, there are no major contracts signed by BFCM over the last two years other than contracts entered into in the normal course of its business.

9.4.11 Position of dependence

To date, Crédit Mutuel Alliance Fédérale is not in a situation of dependence.

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(1) The information provided on the website does not form part of the prospectus, with the exception of any information included by reference in the universal registration document.

The Crédit Mutuel Alliance Fédérale Foundation is a partner in the innovative **Fratries** project, a co-living or shared housing solution. The concept: to provide modern and comfortable homes throughout the country to enable young working people with and without mental disabilities and autistic disorders to live together.

10

Additional Information

10.1 2024 FINANCIAL COMMUNICATION CALENDAR

BFCM

February 7, 2024	Publication of 2023 full-year results
May 14, 2024	Ordinary Shareholders' Meeting
July 31, 2024	Publication of 2024 first-half results

Calendar subject to change

Crédit Mutuel Alliance Fédérale

February 7, 2024	Publication of 2023 full-year results
July 31, 2024	Publication of 2024 first-half results

Calendar subject to change

10.2 DOCUMENTS AVAILABLE TO THE PUBLIC

During the validity of the universal registration document, the following documents (or copy of these documents) can be viewed:

Digitally on BFCM's website

http://www.bfcm.creditmutuel.fr

- Historical financial information of the BFCM and Crédit Mutuel Alliance Fédérale for each of the two fiscal years preceding the publication of the universal registration document.
- This universal registration document and those of the two previous fiscal years.

The information provided on the website does not form part of the universal registration document.

Regarding physical media

- The issuer's charter and articles of association.
- All reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the request of the issuer, a part of which is included or referred to in the universal registration document.
- The historical financial information of the subsidiaries of the BFCM for each of the two fiscal years preceding the publication of the universal registration document.

By sending a request by mail to:

Banque Fédérative du Crédit Mutuel Group General secretariat

4 rue Frédéric-Guillaume Raiffeisen 67913 STRASBOURG Cedex 9

+ 33 (0)3 88 14 88 14

10.3 PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr. Alexandre Saada

Deputy Chief Executive Officer of BFCM

Chief Financial Officer (CFO) of Crédit Mutuel Alliance Fédérale

Email: alexandre.saada@creditmutuel.fr

10.4 PERSON RESPONSIBLE FOR THE DOCUMENT

Certification and governance

I, the undersigned Alexandre Saada, Chief Financial Officer (CFO) of Crédit Mutuel Alliance Fédérale, confirm, after taking all reasonable measures, that Crédit Mutuel Alliance Fédérale has published the information contained in chapter 5 Risks and capital adequacy - Pillar 3 - pursuant to part 8 of Regulation (EU) No. 2019/876 (CRR 2) in accordance with the accounting system in place and the internal control associated with it.

Paris, April 11, 2024

Declaration by the person responsible for the universal registration document

Mr. Eric Petitgand,

Chief Executive Officer of Caisse Fédérale de Crédit Mutuel.

Declaration by the person responsible

I hereby declare that, to the best of my knowledge, the information contained in this universal registration document is accurate and contains no omissions that could adversely affect its scope.

I hereby declare that, to best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and all subsidiaries included in the scope of consolidation, and that the management report (of which the cross-reference table of the annual financial report appearing in Chapter 10 of this universal registration document indicates the content) presents an accurate view of the changes in the business, results and financial position of the company and all the subsidiaries included in the scope of consolidation and that it describes the main risks and uncertainties which they face.

Strasbourg, April 11, 2024

10.5 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Statutory auditors for the scope of the annual and consolidated financial statements BFCM

KPMG SA, member of Compagnie Régionale de Versailles - represented by Mrs. Sophie Sotil and Mr. Arnaud Bourdeille - Tour Eqho 2, avenue Gambetta CS 60055 - 92066 Paris-La Défense Cedex.

Start date of first term of office: May 10, 2022.

Current term of office: six fiscal years with effect from May 10, 2022.

Appointment: The Shareholders' Meeting of BFCM of May 10, 2022 appointed KPMG SA to replace Ernst & Young et Autres firm as principal statutory auditors for a period of six years, i.e. until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

PricewaterhouseCoopers France, member of the Compagnie Régionale de Versailles - represented by Mr. Laurent Tavernier - 63, rue de Villiers 92200 Neuilly-sur-Seine.

Start date of first term of office: May 11, 2016.

Current term of office: six fiscal years with effect from May 10, 2022.

Renewal: The Shareholders' Meeting of BFCM of May 10, 2022 appointed PricewaterhouseCoopers France as the principal statutory auditor for a period of six years, *i.e.* until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

Principal statutory auditors on the scope of the consolidated financial statements Crédit Mutuel Alliance Fédérale carried by Caisse Fédérale de Crédit Mutuel

KPMG SA, member of Compagnie Régionale de Versailles - represented by Mrs. Sophie Sotil and Mr. Arnaud Bourdeille - Tour Eqho 2, avenue Gambetta CS 60055 - 92066 Paris-La Défense Cedex.

Start date of first term of office: May 10, 2022.

Current term of office: six fiscal years with effect from May 10, 2022.

Appointment: The Shareholders' Meeting of Caisse Fédérale de Crédit Mutuel held on May 10, 2022 appointed KPMG SA as statutory auditor to replace Ernst & Young et Autres for a period of six fiscal years, *i.e.* until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

PricewaterhouseCoopers France, member of the Compagnie Régionale de Versailles - represented by Mr. Laurent Tavernier - 63, rue de Villiers 92200 Neuilly-sur-Seine.

Start date of first term of office: May 26, 2016.

Current term of office: six fiscal years with effect from May 10, 2022.

Renewal: The Shareholders' Meeting of Caisse Fédérale du Crédit Mutuel of May 10, 2022 renewed PricewaterhouseCoopers France as statutory auditor for a period of six fiscal years, *i.e.* until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

10.6 CROSS-REFERENCE TABLE

10.6.1 Cross-reference table for the Crédit Mutuel Alliance Fédérale universal registration document

Sections of Appendix 1 of Delegated Regulation (EU) 2019/980: "Registration document for equity securities"		Page no. of the universal registration document filed with AMFon April 11, 2024
1.	**Persons responsible**	**914-914**
2.	**Statutory auditors**	**915**
3.	**Risk factors**	**380-380**
4.	**Information about the issuer**	**910-910**
5.	**Business overview**	
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5.2	Main markets	6-7; 21 , 56 , 668-668 , 681
5.3	Significant events in business development	54-54; 75-75
5.4	Strategy and objectives	10-11
5.5	Degree of dependence with respect to patents or licenses, industrial, commercial or financial agreements or new manufacturing processes	911
5.6	Elements on which the declarations of the issuer concerning its competitive position are based	21
5.7	Investments	N/A
6.	**Organizational structure**	
6.1	Description of the group	16-16
6.2	Main subsidiaries	16-16
7.	**Review of the financial position and of net profit or loss**	
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8.	**Cash and equity**	
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8.2	Source and amount of the issuer's cash flows	637; 755
8.3	Information on the borrowing conditions and the issuer's financing structure	69; 69
8.4	Information concerning any restrictions on the use of equity that noticeably influences or may noticeably influence the issuer's transactions	N/A
8.5	Information on the expected financing sources necessary to honor the commitments set out in point 5.7.2	N/A
9.	**Regulatory environment**	**49-49**
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12.	**Administrative, management, supervisory and executive bodies**	
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13.	**Compensation and benefits**	**341-341 ; 367-367**
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14.4	Declaration indicating whether or not the issuer is in compliance with the legal corporate governance framework in force in its country of origin	314; 346
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Sections of Appendix 1 of Delegated Regulation (EU) 2019/980: "Registration document for equity securities"		Page no. of the universal registration document filed with AMFon April 11, 2024
15.	**Employees**	
15.1	Number of employees	729; 846; 895
15.2	Interests in the issuer's share capital and directors' stock-options	N/A
15.3	Agreement providing for employee ownership of the issuer's shares	N/A
16.	**Major shareholders**	
16.1	Shareholders holding more than 5% of the share capital or voting rights	908
16.2	Existence of different voting rights of the aforementioned shareholders	N/A
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20.	**Major contracts**	**911**
21.	**Documents available to the public**	**914-914**

Sections of Appendix 2 of Delegated Regulation (EU) 2019/980: "Universal registration document"		Page no. of the universal registration document filed with AMF on April 11, 2024
1.	**Information to be disclosed about the issuer**	
1.1	Information required pursuant to Appendix 1 of Delegated Regulation (EU) 2019/980	See cross-reference table above
1.2	Issuer's statement	1

Pursuant to Article 19 of European Regulation No. 2017/1129 of June 14, 2017, the following items are included by way of reference:

- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2022, presented respectively for Crédit Mutuel Alliance Fédérale on pages 487 to 572, 46 to 81, 87 to 230, 289 to 485 and 573 to 578 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2022 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/d033_aae8-01c1-4a29-b14a-f2c764656a08), registered with the AMF on April 13, 2023 under number D.23-0268;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2022, the extract of the annual financial statements including the management report for the fiscal year ended December 31, 2022 presented respectively for Banque Fédérative du Crédit Mutuel on pages 581 to 664, 73 to 85, 289 to 485 and 665 to 670 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2022 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/d033_aae8-01c1-4a29-b14a-f2c764656a08), registered with the AMF on April 13, 2023 under number D.23-0268;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2021, presented respectively for Crédit Mutuel Alliance Fédérale on pages 413 to 491, 42 to 60, 75 to 210, 265 to 411 and 492 to 494 of the universal registration document of Crédit Mutuel Alliance Fédérale – 2021 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/0245fa3c-217d-4271-ad4e-c3d5e3362d82), registered with the AMF on April 13, 2022 under number D.22-0284;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2021, the extract of the annual financial statements including the management report for the fiscal year ended December 31, 2021 presented respectively for Banque Fédérative du Crédit Mutuel on pages 497 to 574, 61 to 72, 75 to 210, 265 to 411 and 575 to 580 of the universal registration document of Crédit Mutuel Alliance Fédérale – 2021 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/0245fa3c-217d-4271-ad4e-c3d5e3362d82), registered with the AMF on April 13, 2022 under number D.22-0284;

- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2020, presented respectively for Crédit Mutuel Alliance Fédérale on pages 359 to 437, 40 to 58, 73 to 154, 207 to 357 and 438 to 439 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2020 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/c05f424a-4b92-441b-9ff5-f9d0762d3517) registered with the AMF on April 21, 2021 under number D.21-0334;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2020, the extract of the annual financial statements including the management report for the fiscal year ended December 31, 2020 presented respectively for Banque Fédérative du Crédit Mutuel on pages 441 to 517, 59 to 71, 73 to 154, 207 to 357 and 518 to 523 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2020 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/c05f424a-4b92-441b-9ff5-f9d0762d3517), registered with the AMF on April 21, 2021 under number D.21-0334.

In order to facilitate the reading of this document, the cross-reference table below makes it possible to identify, in this universal registration document, the information that constitutes the annual financial report that BFCM must publish as an issuer of listed securities in accordance with articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's General Regulations.

10.6.2 Cross-reference table of BFCM's annual financial report

		Articles of the French Commercial Code	Articles of the French Monetary and Financial Code	Articles of the French General Tax Code	Articles of the AMF General Regulations	Pages
1	**Declaration by the person responsible for the registration document**					**915**
2	**Management report**					
2.1	Position of the company and group during the past fiscal year	L.232-1 II, L.233-26				4-5; 47-47
2.2	Analysis of the changes in revenue, results and financial position of the company and group	L.225-100-1 I 1°				4-5; 47-47
2.3	Key financial and non-financial performance indicators of the company and group	L.225-100-2 I 2°				4-5; 11
2.4	Other information on the position of the company and group					
	Foreseeable development of the company and group	L.232-1 II, L.233-26				75
	Significant events that occurred after the closing date of the fiscal year but before the publication date of this management report	L.232-1 II, L.233-26				75
	Research and development activities of the company and group	L.232-1 II, L.233-26				N/A
	Existing branches	L.232-1 II				N/A
	Information regarding establishments by state or territory		L.511-45, R.511-16-4			789-789
	Equity investment in or takeover of companies with registered offices in France during a fiscal year	L.233-6, L.247-1				N/A
	Activity and results of the entire company, subsidiaries of the company and the companies that it controls by branch of activity	L.233-6				21-21; 896-896
2.5	Information on risks and internal control procedures					
	Main risks and uncertainties that the company and the group must face	L.225-100-1 I 3°				380-380
	Financial risks associated with the effects of climate change and implementation of a low-carbon strategy	L.225-100-1 I 4°				388
	Main characteristics of the internal control and risk management procedures implemented by the company and group relating to the preparation and processing of accounting and financial information	L.225-100-1 I 5°				394-394
	Objectives and policy regarding hedging of each major category of transactions of the company and group	L.225-100-1 I 6°				383-383

		Articles of the French Commercial Code	Articles of the French Monetary and Financial Code	Articles of the French General Tax Code	Articles of the AMF General Regulations	Pages
	Exposure to price, credit, liquidity and cash risks of the company and group	L.225-100-1 I 6°				381-381
	Expenses and charges not deductible from taxable profits paid due to said expenses and charges			223 quater		N:A
2.6	Non-Financial Performance Statement					
	Information on consideration of the social and environmental consequences of the company's activities, subsidiaries and controlled companies, the effects of such activities on respect for human rights and the fight against corruption and tax evasion	L.225-102-1 III, R.225-105				136-136
	Consequences on climate change of the activity and use of the goods and services produced	L.225-102-1 III, R.225-105				144-144
	Societal commitments to promote sustainable development, the circular economy, responsible, fair and sustainable food and diversity, combat food waste and food insecurity, combat discrimination and respect animal welfare	L.225-102-1 III, R.225-105, R.225-105-1				131-131
	Collective agreements concluded within the company, its subsidiaries and controlled companies, and their impact on the economic performance of the company, its subsidiaries and controlled companies, as well as on the employees' working conditions	L.225-102-1 III				136-136
	Business model	R.225-105				6-7
	Description of the main non-financial risks related to the activity of the company, subsidiaries and controlled companies, the policies and the results of these risk prevention, identification and mitigation policies	R.225-105				103-103
2.7	Vigilance plan	L.225-102-4				198-198
3	**Opinion of the independent third party on the social and environmental information**	**L.225-102-1, R.225-105-2 II**				
4	**Corporate governance report**	**L.225-37**				
4.1	Principles for determining the compensation granted to corporate officers [Section 13 of Appendix 1 of Delegated Regulation No. 2019/980]					341; 367
4.2	Compensation principles and rules for the identified population		L.511-73			341; 367
4.3	List of all of the terms and duties exercised in any company by each corporate officer during the fiscal year	L.225-37-4				349-349
4.4	Summary table of the delegations for capital increases	L.225-37-4				N/A
4.5	Working methods of the Executive Management	L.225-37-4				367
4.6	Composition of the Board, and conditions of preparation and organization of the Board's tasks	L.22-10-10				347-347 363-363
4.7	Diversity policy	L.22-10-10				364
4.8	Any restrictions that the Board of Directors imposes on the CEO's powers	L.22-10-10				367
4.9	Statement indicating whether the company refers to a Corporate Governance Code	L.22-10-10				346
4.10	Terms and conditions for shareholder participation in Shareholders' Meetings	L.22-10-10				363

		Articles of the French Commercial Code	Articles of the French Monetary and Financial Code	Articles of the French General Tax Code	Articles of the AMF General Regulations	Pages
5	**Information on the share capital**	**L.233-13**				
5.1	Name of the natural persons or legal entities directly or indirectly holding more than 5% of the share capital or voting rights – changes made during the fiscal year	L.233-13				908
5.2	Name of controlled companies and share in the capital of the company that they hold	L.233-13				907-907
5.3	Employee share ownership	L.225-102				N/A
5.4	Information concerning the company's share buyback transactions during the fiscal year	L.225-211				N/A
5.5	Summary of the transactions carried out by corporate officers, managers, certain executives of the company and persons with whom they have close personal ties during the last fiscal year, if applicable		L.621-18-2 and R.621-43-1		223-26	N/A
6	**Other accounting, financial and legal information**					
6.1	Information on payment terms	L.441-14 and D.441-6				87
6.2	Amount of dividends distributed with respect to the last three fiscal years and amount of income distributed eligible for the 40% allowance			243 bis		88
6.3	Information on the financial instruments whose underlying assets consist of agricultural commodities and resources implemented by the company to avoid exercising a significant effect on the price of such agricultural commodities		L.511-4-2			N/A
6.4	Amount and characteristics of the loans financed or distributed by the company as defined in III of Article 80 of the planning law No. 2005-32 of January 18, 2005 on social cohesion, and as such benefiting from public guarantees. If applicable		L.511-4-1			N/A
6.5	Yield on the company's assets		R.511-16-1			N/A
7	**Financial statements**					
7.1	Annual financial statements					867-867
	o/w company results over the past five fiscal years	R.225-102				89
7.2	Statutory auditors' report on the annual financial statements	L.823-10				900-900
7.3	Consolidated financial statements	L.233.26				749-749
	o/w professional fees paid to the statutory auditors					738
7.4	Statutory auditors' report on the consolidated financial statements	L.823-10				858-858

10.7 GLOSSARY

This glossary lists some of the technical terms and abbreviations in this document.
This list is not exhaustive.

Acronyms

ACPR *Autorité de contrôle prudentiel et de résolution* – French Prudential Supervisory and Resolution Authority.

AMF *Autorité des marchés financiers* – French Financial Markets Authority.

RWA Risk-weighted assets. See RWA.

CRM Credit risk mitigation. See CRM.

ECB European Central Bank.

CRD Capital Requirement Directive – European directive on regulatory capital.

CRBF *Comité de réglementation bancaire et financière* – Banking and Financial Regulation Committee.

CSM (internal margin): contractual service margin.

CSRD Corporate Sustainability Reporting Directive.

IDD Insurance Distribution Directive.

EBA European Banking Authority.

ESG Environment, Social, Governance.

ETI *Entreprise de taille intermédiaire* – Medium-sized business.

FTE Full-time equivalent.

FBF *Fédération bancaire française* – French Banking Federation.

FCPE *Fonds commun de placement entreprise* – Company employee investment fund.

FCPI *Fonds d'investissement de proximité dans l'innovation* – Local innovation investment fund. UCITS with significant vested tax benefits subject to holding the shares for at least five years.

FED Federal Reserve System – Central bank of the United States.

FRA Forward Rate Agreement.

FTA first time application.

HQLA (level 1/level 2) High-Quality Liquid Asset (level 1: extremely high liquidity and quality/level 2: liquidity and quality below level 1).

IARD *Incendie, accidents et risques divers* – Property and casualty insurance.

IAS International Accounting Standards.

DTA Deferred tax assets.

IFRS International Financial Reporting Standards.

M&A Mergers and acquisitions.

NACE (code) Statistical classification of economic activities in the European Community.

NRE French law on New Economic Regulations.

NZBA Net-Zero banking Alliance.

UCITS Undertakings for Collective Investment in Transferable Securities.

OSTs *Opérations sur titres* – Security trades.

OTC Over-the-counter.

PACTE (law) *Plan d'action pour la croissance et la transformation des entreprises* – Action plan for business growth and transformation.

NII Net interest income.

ESR European Solvency Ratio.

CSR Corporate Social Responsibility.

SMR Social and Mutualist Responsibility.

SCPI *Société civile de placement immobilier* – Real estate investment company.

TMO *Taux moyen obligataire* – Fixed-rate bond index.

Definitions

A

ABCP Asset-Backed Commercial Paper. Money market security whose payments are derived from cash flows from a pool of underlying assets. ABCP conduits: off-balance sheet securitization vehicles used to finance a variety of bank assets through commercial paper with maturities of less than one year.

EBA European Banking Authority. European supervisory authority that replaced the Committee of European Banking Supervisors (CEBS). Its purpose is to promote harmonized and more reliable European standards and can override national supervisors in an emergency. In addition to the new stress tests, the EBA must ensure application of new international solvency and liquidity standards.

ABS Asset-Backed Securities. Securities representing a pool of financial assets, excluding mortgage loans, whose cash flows are derived from the underlying asset or pool of assets.

Rating agency Agency that assesses the financial solvency risk of a company, bank, national government, local government (municipality (*commune*), department (*département*), region (*région*) or financial transaction. Its role is to measure the risk of non-repayment of the debts that the borrower issues.

ALM Asset and Liability Management. All management techniques and tools aimed at measuring, managing and analyzing overall balance sheet and off-balance sheet financial risks (mainly liquidity risk and interest rate risk).

AT1 Additional Tier 1. Additional Tier 1 capital. These are perpetual debt instruments, free from any incentive or obligation to repay (particularly in the case step-ups in interest rates). The AT1 instruments are subject to a loss absorption mechanism that is triggered when the CET1 ratio falls below a certain threshold.

B

Basel II (the Basel Accords) Prudential framework for better assessment and limitation of the risks borne by credit institutions. It comprises three complementary and interdependent pillars: - Pillar 1, the foundation of minimum requirements: this aims to ensure minimum capital coverage of credit, market and operational risks; - Pillar 2 establishes the principle of structured dialogue between institutions and supervisors; - Pillar 3 focuses on market discipline. It seeks to improve banks' financial transparency by requiring that they disclose the information third parties would need to understand their capital adequacy.

Basel III (the agreements) Several series of measures taken by the Basel Committee in 2009 aimed at strengthening financial regulation and supervision. New rules were published to reinforce Basel II on prudential coverage of market risks and securitization transactions, risk management under Pillar 2, transparency under Pillar 3.

Banking book [1] Banking portfolio. All assets or off-balance sheet items that are not part of the trading portfolio.

Broker Stock market intermediary who buys and sells on behalf of his or her customers.

Liquidity buffer Buffer required to meet cash outflows assuming the markets are closed and there is no access to any liquidity.

C

CAD Capital Adequacy Directive (minimum equity requirements) European Directive imposing capital requirements on investment firms and credit institutions.

CCF Credit Conversion Factor Conversion factor for off-balance sheet outstandings. This is the ratio between (i) the unused amount of a commitment that could be drawn down and at risk at the time of default and (ii) the unused amount of the commitment. Under the standardized approach, the regulator determines this factor. Under the internal ratings-based (IRB) approach, the CCF is calculated by the bank based on a review of its own customers' behavior.

CDS Credit Default Swap [2] Default hedging. Contract in which an institution that would like to protect against the risk of non-payment of a loan it holds makes regular payments to a third party in exchange for which it receives a predetermined amount should the default in fact occur.

CET 1 Common Equity Tier 1 A component of Tier 1 capital consisting of share capital instruments and the associated issue premiums, reserves, retained earnings and the general banking risks reserve.

CLO Collateralized Loan Obligations Securitization of loans of different sizes structured in multiple tranches.

CMBS Commercial Mortgage-Backed Securities Debt security backed by an asset portfolio of mortgage-backed corporate real estate loans.

Cost/income ratio Ratio indicating the proportion of NBI (net revenue) used to cover operating expenses (operating costs of the business). It is calculated by dividing operating expenses by NBI.

Collateral A transferable asset or guarantee provided as a pledge to repay a loan if the beneficiary of the loan is unable to meet its payment obligations.

COREP Common Solvency Ratio Reporting Name of the prudential reporting promoted by the Committee of European Banking Supervisors (CEBS).

Cost of proven risk Net provisions on impaired assets (non-performing loans).

Cost of non-proven risk Introduced by IFRS 9, which imposes a new impairment model based on the principle of provisioning all or part of the expected losses, meaning a statistical provisioning when the loan is granted.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.
(2) Source : https://acpr.banque-france.fr/glossaire-acpr et notice relative aux modalités de calcul des ratios prudentiels dans le cadre de la CRD 4.

Covered bonds Simple securitization instruments. Covered bonds comparable with conventional bonds, with protection in the event of the bond issuer's insolvency. Covered bonds are backed by a pool of assets, allowing payments to be made to bondholders. Covered bonds are usually backed by mortgages or public sector (local government) debt.

CRD4 European directive that transposes the proposals of the Basel III Accords, which define the rules for bank capital. More specifically, it provides a harmonized definition of capital, proposes rules on liquidity, and seeks to address pro-cyclicality.

CRM Credit Risk Mitigation Mitigation of credit risk by taking into account real securities, personal sureties and credit derivatives, or clearing or novation mechanisms.

CRR (under Pillar 3) Capital Requirement Regulation European Capital Requirements Regulation (like CRD4), which aims to stabilize and strengthen the banking system by forcing banks to set aside more capital, including high-quality capital, to mitigate the effects of crises.

CVA Credit Valuation Adjustment. Accounting adjustment to the fair value measurement of over-the-counter derivatives (interest-rate swaps whether or not they are collateralized, etc.). The adjustment involves incorporating a discount equal to the market value of the counterparty default risk into the valuation of products.

D

Derivatives [1] Financial instruments whose value depends on the price of another instrument (a stock, a bond, etc.) that professionals call the "underlying".

Desk Each desk on a trading floor specializes in a particular product or market segment.

E

EAD Exposure At Default Likely amount of exposure at risk at the time of default. This concerns the institution's on- and off-balance sheet exposures in the event of counterparty default. Off-balance sheet exposures are converted to balance sheet equivalents using internal or regulatory conversion factors.

EFP *Exigence en Fonds Propres*/Capital requirement. Its amount is obtained by applying a rate of 8% to the weighted risks (or RWAs).

EL Expected Loss Loss expected in the event of default. It is determined by multiplying exposure at default (EAD) by probability of default (PD) and by loss given default (LGD).

EMTN Euro Medium Term Note Debt security generally maturing in five to ten years. These securities may have very different characteristics depending on the issuance programs, including more or less complex arrangements in terms of remuneration or guaranteed capital.

Benefit corporation Notion introduced by the Pacte law of 2019 allowing a company to declare its *raison d'être* in its articles of association through one or more social and environmental objectives. An independent third-party body must be appointed to verify the execution of the missions stated in the articles of association.

EONIA Euro OverNight Index Average The daily benchmark rate for unsecured (*i.e.* not backed by securities) interbank deposits made overnight in the Eurozone.

ETF Exchange Traded Funds Funds that reproduce the changes in an index. When investors buy an ETF, they are exposed to rises and falls in the securities that make up the index in question without having to buy them. An ETF can be bought or sold on the stock market throughout the trading day just like "traditional" shares. ETFs are subject to approval by the AMF or another European authority.

EURIBOR Euro Interbank Offered Rate Inter-bank rate offered in euros. Eurozone monetary market reference rate.

European Securities and Markets Authority "ESMA" The ESMA groups regulators of the financial markets of the European Union member states. This authority helps create standards and common practices on regulation and supervision.

Gross exposure Exposure before accounting for provisions, adjustments and risk mitigation techniques.

F

Tier 1 capital This consists of Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital.

Tier 2 capital Tier 2 capital consists of subordinated debt instruments with a minimum maturity of five years. Incentives for early redemption are prohibited.

Front office Traders on the trading floor who handle market, foreign currency and interest rate transactions.

SRF Single Resolution Fund Fund designed to help failing banks refinance themselves during the resolution phase. This phase involves implementing the plan endorsed by the Single Resolution Board (SRB), during which the bank in question no longer has access to the interbank market.

FSB Financial Stability Board A body of 26 financial authorities, several international organizations and bodies that develop financial stability standards. It facilitates cooperation in the supervision and oversight of financial institutions.

G

GAAP Generally Accepted Accounting Principles [2] Accounting standards in force in the United States, defined by the Financial Accounting Standards Board.

FATF Financial Action Task Force Intergovernmental organization, the objectives of which are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

(2) Source : https://acpr.banque-france.fr/glossaire-acpr et notice relative aux modalités de calcul des ratios prudentiels dans le cadre de la CRD 4

H

Hybrid security Security that combines the characteristics of equity and debt (convertible bonds, equity notes, etc.).

I

IBoxx Index made up of bonds with a range of maturities.

ICAAP Internal Capital Adequacy Assessment Process Regulatory procedure for assessing whether banks have sufficient capital to cover all the risks to which they are exposed. The ICAAP must describe the procedures for calculating and stress-testing the institution's various risks. The supervisor approves the institution's ICAAP once a year.

ILAAP Internal Liquidity Adequacy Assessment Process Regulatory procedure which can assess whether the situation of the institution is sufficient to cover the liquidity risk. The principle involves finding out the measures that the institution uses to control and mitigate this risk.

Investment grade Long-term rating assigned by an external agency ranging from AAA/Aaa to BBB-/Baa3 for a counterparty or an underlying issue. A rating of BB+/Ba1 or below signifies a Non-Investment Grade instrument.

IRB Internal Rating Based Internal rating system. The regulations have set a standard rating system but each institution may develop its own internal rating system.

SRI Socially Responsible Investment The process asset management companies use to select the marketable securities that make up their portfolio by systematically taking into account the issuer's environmental, social and governance (ESG) practices, in addition to financial criteria. This management is ideally accompanied by dialogs with the management companies and the active exercise of the voting rights attached to the securities.

Itraxx Credit derivatives market. It consists of the most liquid names in the European and Asian markets.

K

KRI Key Risk Indicators Key indicators of operational risks. Elements for modeling the internal approaches (AMA – Advanced Measurement Approach) implemented by the banks. Identified through risk mapping carried out in advance. The indicators must be data that are objective, quantifiable and continuously monitored. Each indicator has a threshold above which systematic actions are triggered. The indicators must be reviewed periodically as their relevance depends on the effectiveness of the risk control measures put in place.

L

LCR Liquidity Coverage Ratio Short-term, 30-day ratio that requires banks to continuously hold enough high-quality liquid assets to bear an acute crisis. This monthly ratio is one of the provisions of Basel III.

LGD Loss Given Default Ratio of loss in the event of default expressed as a percentage of EAD.

LGD* (read "LGD star") A specific LGD for non-retail exposures using an internal rating method.

Liquidity The ability to cover short-term maturities. A market or security is liquid when transactions (buy/sell) can be carried out seamlessly, without sharp price fluctuations, due to high trading volumes.

M

Secondary market Market on which securities that have already been issued are traded, also known as the stock exchange.

Mark-to-model Valuation of a financial instrument at fair value based on a financial model, in the absence of a market price.

Mezzanine Form of financing that falls between equity and debt. In terms of rank, mezzanine debt is subordinate to "senior" debt but is senior to shares.

Mid-cap Medium-sized market capitalization.

MIF1/MIF2/MIFID2/MIFIR European directive on markets in financial instruments (MIF 1), which entered into force on November 1, 2007 and defines the major guidelines for Capital Market activities in Europe. In 2018, MIF 2 was introduced to complement MIF 1. MIF 2 aims to enhance the security, transparency and operation of financial markets while also strengthening investor protection.

MREL Minimum Requirement Eligible Liabilities Minimum level of debts eligible for "bail-in" (MREL), in a credit institution. A rate of about 8% of liabilities according to the Bank Recovery and Resolution Directive, but which the national resolution authority will set on a case-by-case basis.

N

Netting Offsets. Netting systems are used to reduce the number of interbank settlements, the risks incurred on counterparties and the liquidity needs of participants.

Rating Assessment by a financial rating agency (Moody's, Fitch Ratings, Standard & Poor's) of the financial solvency risk of a national government or another public authority or of a given transaction: bond issue, securitization, etc. The rating has a direct impact on the cost of raising capital.

O

OAT *Obligations Assimilables du Trésor* Fungible treasury bonds. Government bonds issued by the French Treasury. These listed bonds are called "fungible" because each new series (tranche) issued is linked to an already existing series with the same characteristics: interest rate, nominal value, maturity, repayment terms.

OCI Other comprehensive income. This corresponds to revenues, expenses, gains and losses and other similar items that contributed to an increase or decrease in shareholders' equity but which are excluded from the income statement. It includes, among others, unrealized gains and losses on short-term investment securities recognized at fair value and unrealized foreign currency gains or losses.

UCI Undertakings for Collective Investment [1] Investment fund which pools the savings of a large number of investors in order to invest in marketable securities (shares, bonds, etc.) or in real estate (for real estate UCIs (OPCIs)). This amount is invested by professionals (investment management firms) in a diversified range of assets according to a defined strategy.

OPE *Offre Publique d'Échange* Exchange offer. Transaction in which an entity publicly announces to shareholders of a listed company (the target company) that it has agreed to acquire their securities. The entity offers to acquire the securities in exchange for existing securities or securities to be issued in the future.

Option Financial instrument which enables an investor to obtain the right, at a future date, to purchase (call) or to sell (put), a financial asset (share, bond, currency) at a price fixed in advance. An option is a risky product.

P

PD Probability of Default Expressed as a percentage over a one-year horizon and calculated by the bank based on its observation of default rates over a long-term period. PD is calculated by type of borrower and type of loan.

Loss Given Default (LGD) See LGD.

Loan production Amounts of new loans released to customers - source of management data, sum of individual data for entities in the "retail banking - banking network" sector.

Derivatives Financial instruments whose value depends on an underlying commodity or security, such as the price of oil or grain, or interest rates and currency movements. They can be used in various ways, such as insurance against certain risks or for investment or speculation purposes.

PUPA *Plan d'urgence et de poursuite de l'activité*/Contingency and Business Continuity Plan. Series of measures aiming to ensure, under various crisis scenarios (including extreme shocks), the continuation of services or other vital or important operating tasks at the company concerned (where required, in a temporarily downgraded mode), as well as the planned resumption of activities and the mitigation of losses.

R

Raison d'être Notion integrated in the Pacte law of 2019, the *raison d'être* is a course of action that the company sets itself. It may be included in the articles of association. It provides "a framework for the most important decisions, in order to materialize the self-interest of society and the company, and social and environmental considerations" according to the Notat-Senard report.

CET1 ratio Ratio between Common Equity Tier 1 and assets weighted by risks (RWAs), according to the CRD4/CRR rules.

Tier 1 ratio Ratio between Tier 1 capital and assets weighted by risks, according to the CRD4/CRR rules.

CCR Credit and counterparty risk Risk of loss due to the default of a counterparty. RWAs and capital requirements concerning the credit and counterparty risk include the amounts related to the hedging of CVAs inherent to over-the-counter derivatives other than credit derivatives recognized as reducing RWAs for credit risk, as well as RWAs and capital requirements pertaining to contributions to the default fund of a central counterparty.

Retail Retail activity. Retail banking.

Liquidity risk An institution's ability to secure the funds needed to finance its commitments at a reasonable price at any time.

Market risk Risk related to Capital Markets and the volatility of markets (rates, foreign exchange, liquidity, counterparty), which presents a risk of loss on an instrument due to adverse movements in market prices, for the minimum period needed to liquidate the position (one day, one month, etc.).

RMBS Residential Mortgage-Backed Securities Securitization of residential mortgages.

RWA Risk-weighted assets. The amount of assets are based on banks' exposures and their associated risk levels, which depend on the counterparties' creditworthiness, measured using the methods provided for in the Basel II framework.

S

Senior (security) Security benefiting from specific guarantees and priority repayment.

SFH *Société de financement de l'habitat*/ Home loan financing firms Subsidiaries of generalist banks, the objective of which is to grant or finance home loans.

Underlying asset Financial instrument (share, bond, etc.) on which an investment is based. The change in the value of the underlying determines the change in the value of the investment.

Sponsor (in the context of securitization) [2]The sponsor is an institution, separate from the originator, which establishes and manages a program of asset-backed commercial paper (ABCP) or any other operation, or securitization structure within which it purchases the exposures of third parties.

Spread The difference between the yield on the bond and the yield on a risk-free bond with the same maturity; the benchmark for the latter can be either the government bond rate or the swap rate.

SREP Supervisory Review and Evaluation Process The objective of the SREP is to ensure that entities have implemented adequate provisions, strategies, procedures and mechanisms and that they have sufficient capital and liquidity to ensure sound and prudent management of the risks they may face, in particular those identified by stress tests and systemic risks.

Stress-test Stress tests of earnings and capital seek to assess a company's ability to withstand various crisis scenarios and an economic downturn. Pillar 2 of Basel II requires that stress tests be conducted

Real security A guarantee that binds a specific asset on which the creditor may be paid in the event of default by its debtor (*e.g.*: pledge on real estate property or real estate mortgage).

Swap Contract that is equivalent to swapping only the value differential.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.
(2) Source : https://acpr.banque-france.fr/glossaire-acpr et notice relative aux modalités de calcul des ratios prudentiels dans le cadre de la CRD 4.

T

NDI Negotiable Debt Instruments Short-term investments comprising negotiable medium-term notes, certificates of deposit or OTC commercial paper.

Securitization Financial technique which consists of transferring to investors financial assets such as debt (for example, unpaid invoices or outstanding loans), by transforming this debt, through an *ad hoc* company known as a Special Purpose Vehicle, into financial securities issued on the Capital Markets.

TLTRO Targeted Long-Term Refinancing Operation Targeted Long-Term Refinancing Operations are part of the ECB's monetary policy. TLTRO grant long-term loans to banks to encourage them to increase their lending (for TILTRO II) up to three times the net amount of the loans granted to non-financial private agents (excluding home mortgages).

Trading Buy and sell transactions on various types of assets (shares, commodities, currencies) intended to make a profit. Trading is generally done by a trader who buys and sells financial income from the trading floor of a financial institution.

DSN Deeply Subordinated Notes Perpetual subordinated issuance giving rise to perpetual remuneration. Their indefinite duration is due to the absence of a contractual repayment commitment made at the option of the issuer. In the event of liquidation, they are repaid from other creditors.

V

Value at Risk (VaR) [1] This is defined as the maximum potential loss following an adverse change in market prices over a specified period of time and at a given level of probability (also called the confidence level). It is an aggregate and probabilistic measure of market risk.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

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Edition

BFCM

Graphic design
Covers, introductory booklet, graphics
O'communication

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Designed & published by LABRADOR +33 (0)1 53 06 30 80

Banque Fédérative du Crédit Mutuel
Société anonyme (public limited company) with share capital of €1,715,115,100
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