2023 Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

Construisons pour que le monde bouge.

CONTENTS

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2023 Universal registration document

including the annual financial report

A leading bank both in France and abroad, CIC promotes a universal banking model that combines businesses covering all areas of finance and insurance, financial solidity and a long-term growth strategy.

A technologically advanced bank within reach of its customers, CIC listens to its customers to provide products and services best tailored to their needs.

Flexible tools and adaptable products and services combined with the proximity of the networks allow CIC to offer the responsiveness that customers expect, regardless of their location.

Through its commitment to the economy and society, and with a strong corporate governance system, CIC acts as a responsible bank in a rapidly changing world.

High entrepreneurial standards with operations built around five areas of activity:

RETAIL BANKING,
CORPORATE BANKING,
CAPITAL MARKETS,
ASSET MANAGEMENT AND PRIVATE BANKING,
PRIVATE EQUITY

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 2023 annual financial report which has been prepared in ESEF (European Single Electronic Format) and is available on our website www.cic.fr.

Our business lines 2023

CIC deploys solutions adapted to the needs of all its customers, whether individuals, micro-business or non-profit organizations, through five areas of expertise. As a benefit corporation whose entrepreneurial dimension is at the heart of its DNA, CIC relies on its employees to develop, diversify and pool its resources in the interests of all its customers.

RETAIL BANKING

offers a range of products and services for a diversified clientele of individuals, professionals, micro-business, farmers, non-profit organizations and companies. It includes:

The banking network

CIC network in Île-de-France[1] and the five regional banks: CIC Est, CIC Lyonnaise de Banque, CIC Nord Ouest, CIC Ouest, CIC Sud Ouest

The business line subsidiaries

whose offers are marketed by the network:

Insurance
CIC Assurances

Factoring
CIC Factoring Solutions

Real estate leasing
CIC Real Estate Lease

Equipment leasing
CIC Leasing

Real estate
CIC Immobilier

CORPORATE BANKING

relies on the large corporates department, the structured finance department and the international activities department to support large corporate customers and institutional investors, through personalized financing and development solutions, in France and abroad.

CIC Corporate is the point of contact for large corporate customers.

CAPITAL MARKETS

advises corporate customers, institutional investors and asset management companies on their investment, market financing, investment, risk hedging and asset servicing needs[4].

CIC Marchés and CIC Market Solutions are in charge of market and post-trade activities.

ASSET MANAGEMENT & PRIVATE BANKING

has expertise in financial and wealth management and organization. This business line includes:

Asset management
Crédit Mutuel Asset Management[2]
Crédit Mutuel Epargne Salariale
Cigogne Management[2]
CIC Private Debt[2]

Private Banking
CIC Banque Privée[3]
Banque Transatlantique
Banque de Luxembourg
Banque CIC (Suisse)

PRIVATE EQUITY

Combines equity investments, mergers & acquisitions advisory services and capital support for senior management in France and abroad.

Crédit Mutuel Equity supports start-ups, SMEs and mid-sized companies.

(1) CIC S.A., CIC's holding company and a licensed credit institution in France, is active in both retail banking in the Île-de-France region and in specialized business lines.

(2) Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management were sold to BFCM in Q3 2023 and then transferred to La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.

(3) CIC Banque Privée part of the CIC network and its five regional banks.

(4) Custodian and depositary for undertakings for collective investment.

Words from senior management

QUESTIONS TO NICOLAS THÉRY & DANIEL BAAL

Daniel Baal
Chief Executive Officer

Nicolas Théry
Chairman

What is your assessment of 2023?

CIC turned in a fine performance in 2023, with net revenue reaching a record level of €6.46 billion and net income at almost €2 billion.

Thanks to its dedicated local advisors, CIC supports more than 5.6 million customers. Despite the slowdown in demand for credit, retail banking proved highly resilient. CIC also demonstrated the relevance of its diversification strategy, with the contribution of specialized business lines accounting for almost half of net income. Among them, asset management and private banking (+15%), corporate and investment banking (+34%) and Capital Markets (+36%) performed particularly well.

This remarkable performance is based on the effectiveness of CIC's decentralized organization. With a cost/income ratio of 58.7%, its operating performance is particularly high. The bank intends to capitalize on this advantage by investing in technology to free up time for high-quality customer advice.

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

CIC has stepped up its commitments since adopting the status of a benefit corporation, particularly in terms of donations, in synergy with Crédit Mutuel Alliance Fédérale.

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 projects of high social and environmental benefit, representing 12.5% of the consolidated group's 2022 net income.

Crédit Mutuel Alliance Fédérale launched the Environmental and Solidarity Revolution Fund, committing €363 million from 2023 to support entrepreneurial projects aimed at transforming production models. The fund operates in the field of ecological planning, without any financial return targets, focusing exclusively on ecological and/or social added value.

The Crédit Mutuel Alliance Fédérale Foundation, which is also supported by CIC, 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 and CIC continue 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, CIC will continue to support all its customers and prospects, enabling them to carry out their projects and protecting 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. Building on the transformations initiated in recent years, CIC approaches the years ahead guided by major ambitions, particularly that of reaching over 6 million customers by 2027.

2023 Key figures

5.6 MILLION CUSTOMERS[1]

19,488 EMPLOYEES[2]

1,714 BRANCHES[1]

INTERNATIONAL

5 BRANCHES

36 REPRESENTATIVE OFFICES

(1) French banking network.
(2) Full-time equivalent for consolidated entities.

INCOME STATEMENT

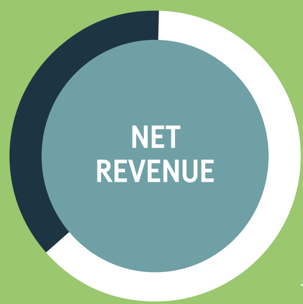
(in € millions)	DECEMBER 2021	DECEMBER 2022	DECEMBER 2023
Net revenue	6,000	6,327	**6,458**
Gross operating income	2,654	2,770	**2,666**
Net income	2,116	2,291	**1,989**
Cost/income ratio[1]	55.8%	56.2%	**58.7%**

(1) See section 2.2.5 Alternative performance indicators.

BREAKDOWN OF NET REVENUE AND NET INCOME BY BUSINESS LINE

37%
Specialized business lines

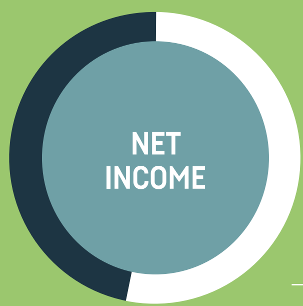
Asset management[1] and private banking: **15%**
Corporate banking: **10%**
Capital Markets: **7%**
Private equity: **5%**



63%
Retail banking

47%
Specialized business lines

Asset management[1] and private banking: **14%**
Corporate banking: **11%**
Capital Markets: **8%**
Private equity: **14%**



53%
Retail banking

(1) Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management were sold to BFCM in Q3 2023 and then transferred to La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.

BALANCE SHEET

	2021	2022	2023
CUSTOMER DEPOSITS[1] (in € billions)	217.8	221.1	**230.4**
CUSTOMER LOANS[1] (in € billions)	220.6	240.0	**252.2**
BALANCE SHEET TOTAL (in € billions)	361.4	406.6 (2022 proforma[2])	**412.0**
SHAREHOLDERS' EQUITY (in € billions)	17.0	18.0 (2022 proforma[2])	**20.3**

(1) See section 2.2.5 Alternative performance indicators.
(2) Since January 1, 2023, CIC 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

	2021	2022	**2023**
CET1 Ratio	12.9%	12.7%	**12.7%**
Overall solvency ratio	15.2%	14.9%	**14.4%**
Leverage ratio	4.9%	4.3%	**4.7%**

Data calculated without transitional measures.

RATINGS

	Standard & Poor's At 11/22/2023	Moody's At 04/4/2024	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: 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+.*

Our business model

OUR RAISON D'ETRE *"Ensemble, écouter et agir"*

CIC, **BENEFIT** CORPORATION

As subsidiary of a cooperative and mutualist organization, we support our customers in their best interests.

As a bank for all, customers and employees, we act for everyone and refuse any discrimination.

OUR RESOURCES AND ASSETS

Our customers

5.6 million individual, micro-business, corporate and non-profit customers

Our human capital

- 19,488 employees[1]

Our locations

- 1,700+ branches in France *via* 6 regional banks
- Internationally, 5 branches and 36 representative offices
- €3.8 billion invested in equity in the real economy through private equity

Our financial structure

- Shareholders' equity: €20.3 billion
- CET1 ratio: 12.7%
- Membership of Crédit Mutuel Alliance Fédérale recognized for its solid financial structure

Our shareholding structure

CIC is fully integrated into the Crédit Mutuel Alliance Fédérale organization and benefits from its capacity for innovation and its commitment to sustainability

3 STRATEGIC AREAS 2024-2027

TOGETHERNESS
PERFORMANCE
SOLIDARITY

OUR MULTI-SERVICE BANKING AND INSURANCE **ACTIVITIES**

RETAIL BANKING

CORPORATE BANKING

CAPITAL MARKETS

ASSET MANAGEMENT AND PRIVATE BANKING

PRIVATE EQUITY

[Listening and acting together]

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.

VALUES CREATED FOR OUR STAKEHOLDERS

For our customers

- A dedicated account manager for each customer
- €252.2 billion outstanding loans

For our employees

- A strong social contract
- 6.6% of payroll invested in training
- 48.5% of women among managerial staff or equivalent

In the regions

- 94.4% of loans granted locally[2]
- Start Innovation CIC: regional support for start-ups and innovative companies

For our shareholder

- Net revenue: €6.5 billion and net income: €2.0 billion

For the environment

- Stopped funding new oil and gas projects
- Strengthening the "Hydrocarbons" sectoral policy
- By 2030: coal phase-out plan

Launch of a societal dividend by Crédit Mutuel Alliance Fédérale, CIC's parent company

- 15% of Crédit Mutuel Alliance Fédérale's consolidated net income mobilized
- Financing of environmental and solidarity-based transformation projects
- €439m mobilized in 2023

OUR PRIORITY: A SPIRIT OF CONQUEST & INITIATIVE • **OUR COMMITMENT:** BE AT THE FOREFRONT OF ECOLOGICAL & SOCIETAL TRANSFORMATION • **A WINNING TRIO:** EMPLOYEES, ELECTED MEMBERS & TECHNOLOGY

SUPPORTING ALL THOSE WHO ARE SHAPING CHANGE FOR A BETTER WORLD

- **FINANCING**
- **CONSULTING**
- **INSURANCE**
- **SAVINGS AND INVESTMENTS**
- **MULTI-SERVICE OFFER** (remote monitoring, telephony, service platform)

[1] Full-time equivalent for consolidated entities.
[2] Retail network.
Data as of December 31, 2023.

CIC's 13 commitments

for a better world

Fight against all forms of discrimination, provide digital protection to all our customers, act for the development of the regions and a fairer and more sustainable society: as a benefit corporation, **CIC is committed.**

01 Guarantee to each customer a dedicated, non-commissioned advisor.

02 Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches.

03 Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions.

04 Insure the home loan of our loyal customers without any medical formalities.

05 Train all our employees and directors in the fight against discrimination.

06 Recruit 25% of work-study students from priority neighborhoods and rural areas.

07 Defend gender pay equality at all levels of the bank.

08 Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France.

09 Invest productivity gains from artificial intelligence in employment and development.

10 Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.

11 Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022[1].

12 Promote the energy transition by no longer financing new oil and gas projects.

13 Commit to customers in financial difficulty with an account at €1 net per month with no incident fees.

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

THE SOCIETAL DIVIDEND FOR A MORE SUSTAINABLE AND SUPPORTIVE SOCIETY

In 2023, Crédit Mutuel Alliance Fédérale, CIC's parent company, launched a societal dividend to support the environmental and solidarity revolution. Each year, 15% of net income* is used to finance projects involving impact investments, community services and donations.

Some examples in 2023: preservation of ecosystems and biodiversity with the acquisition of the Dambach forest, support for food aid associations, etc.

**Crédit Mutuel Alliance Fédérale scope.*

Togetherness Performance Solidarity

development ambitions to serve the community

Every day, CIC implements the **strategic priorities** of the 2024-2027 Togetherness Performance Solidarity plan initiated by its parent company, Crédit Mutuel Alliance Fédérale.

1 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 multiservice strategy:

- **Offer all our services** to all our existing and prospective customers
- **Achieve 100% autonomy** for our existing and prospective customers
- Change dimension in **the corporate market**
- Roll out our **« bancassurance » model in Europe**

2 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 Agreements
- **Support the ecological transformation** of all our customers and businesses
- **Create and share value** through the societal dividend

3 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
- **Resolutely adopt technological innovation** to enhance our performance
- **Continuously improve our organization and processes** to increase efficiency

CIC offers a range of life insurance products to help meet life-long investment needs and objectives, within a tax-advantaged framework.

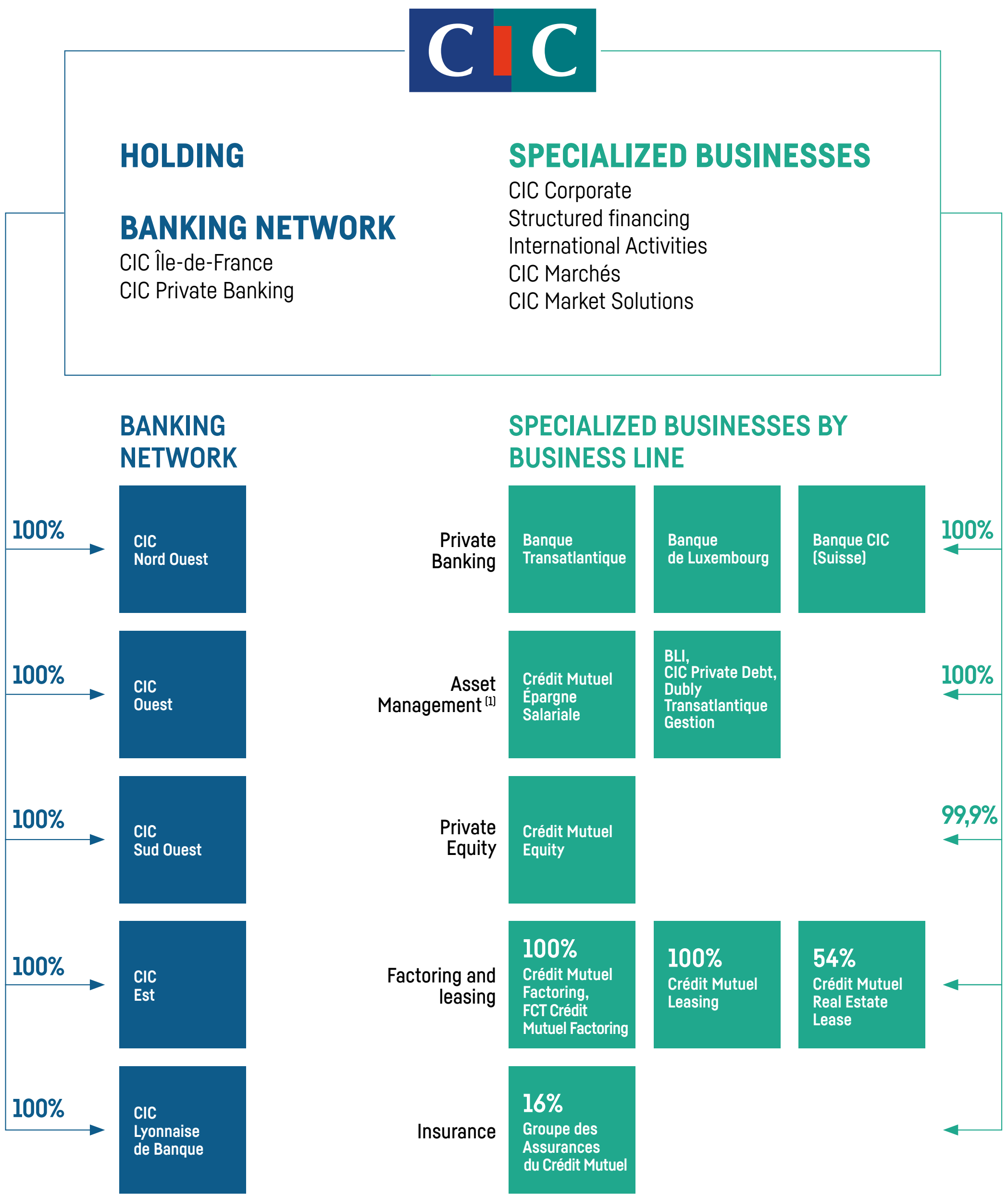
1 PRESENTATION OF CIC

1.1 ORGANIZATION OF CIC

CIC consists of:

- CIC (Crédit Industriel et Commercial), the holding and head-of-network bank, which is also a regional bank in Île-de-France, which carries out investment, financing and market activities for all of Crédit Mutuel Alliance Fédérale;
- five regional banks, each of which conducts business within a fixed geographic area;
- institutions specialized by business line and shared-service companies in the Crédit Mutuel Alliance Fédérale.

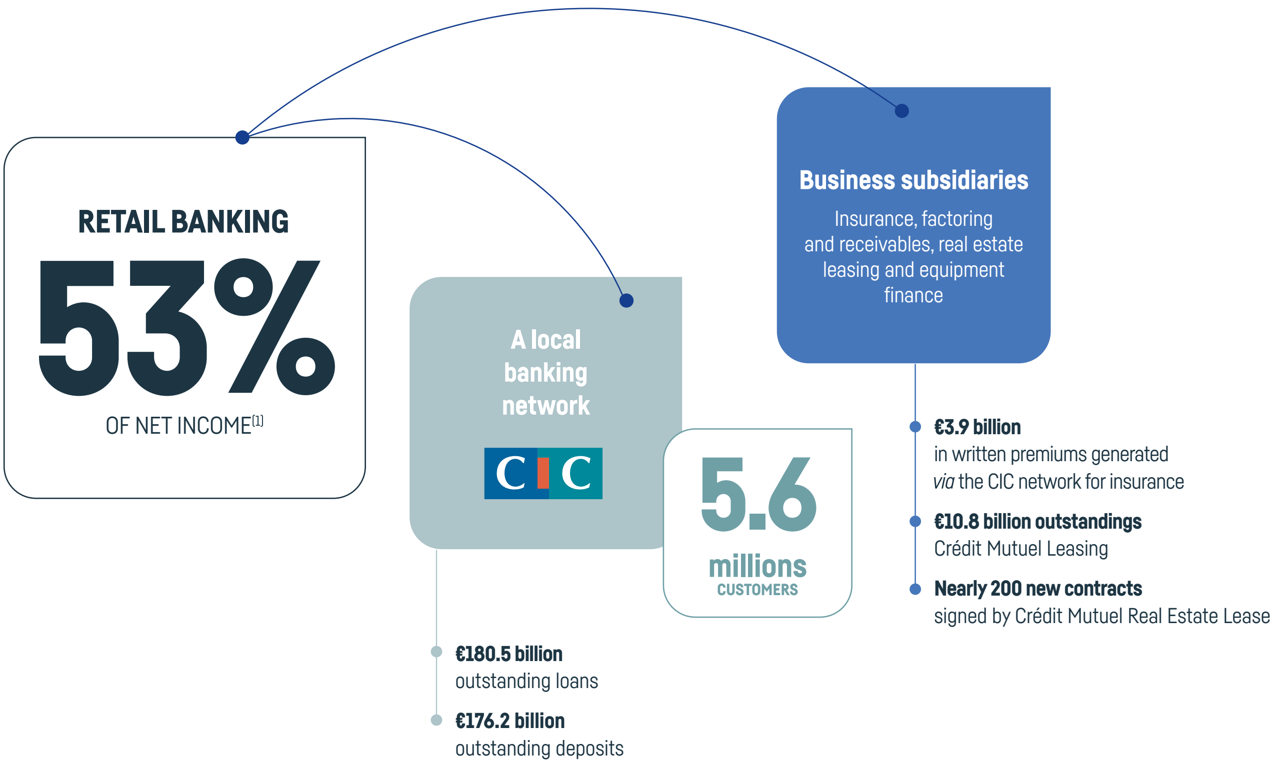
2023 SIMPLIFIED ORGANIZATION CHART



(1) The Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management entities were sold to BFCM in the third quarter of 2023 and then transferred to the La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.

1.2 BUSINESS LINES

1.2.1 Retail banking



(1) Share of CIC's net income excluding the Holding segment.

Retail Banking, CIC's core business line, accounted for 53% of net revenue of the operating business lines 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 five out of six possible awards at the Trophées de la Banque [1]. It ranked in first place in two categories: Project Advisor and Mobile Application.

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.

(1) Study "Les Trophée de la Banque 2023 – Qualité" by MoneyVox.fr.

1.2.1.1 Network markets

CIC Retail Banking offers a range of products and services to a diverse range of retail customers, professionals, farmers, non-profit organizations and businesses.

1.2.1.1.1 Retail market

The retail market meets the demand of non-professional natural persons. As a partner of everyone's ambitions and projects, CIC continues its growth momentum with the aim of offering adapted services at the cutting edge of innovation. CIC offers its 4.45 million individual customers offers dedicated to current account management, savings, insurance and financing solutions. To facilitate their daily life, a range of complementary products in mobile telephony or an Internet and TV package is also proposed. Thanks to its multi-service positioning and its customer service skills, CIC is growing in this customer segment year after year. To welcome new customers, the CIC teams rewarded young graduates with honors.

The need for customer immediacy and the appeal of the mobile app are reflected in a +5.9% increase in online banking subscribers. The service totaled around 1 billion connections (+11% *vs.* 2022) over the year, including 837 million (+15% *vs.* 2022) *via* mobile applications and 152 million *via* websites.

In 2023, CIC proposes a new home insurance offer for owners and tenants that is among the most comprehensive on the market. This offer was recognized with two awards from its launch: the 2023 Label of Excellence by the Dossiers de l'épargne, and the Positive Assurance Label by the Institut de l'économie positive.

1.2.1.1.2 Professional market

The professional market is aimed at a customer base of nearly 832,000 craftsmen, traders, self-employed professionals and SMEs. It has a complete range of solutions to meet their needs in terms of financing, account management, insurance and savings. It also offers solutions for senior management and employees in terms of employee savings, personal protection insurance and healthcare.

In order to respond appropriately to the needs of the various segments of this market, CIC has 2,267 account managers specializing in the management of professional customers. Thanks to targeted and adapted marketing operations, the number of professional customers grew by 3.0%. In 2023, CIC continued to support its customers to meet their needs in terms of cash flow and professional and personal investments. As a result, more than €4.5 billion in investment loans were granted. Thanks to the digitization of loans, loan agreements can be signed remotely.

In addition, CIC assists managers in setting up measures to benefit their employees, and more than 5,380 employee savings contracts have been taken out to date.

Wishing to support the entrepreneurial spirit, CIC proposes a new offer dedicated to self-employed entrepreneurs which brings together a set of banking products and services useful for managing the professional activity (bank account, payment card with real-time option, rental guarantee for professional equipment, etc.) as well as protection insurance.

With the *Kiosque à Services* (Service Kiosk), CIC offers its customers access to a service platform and connects them with partners to facilitate their daily lives. CIC Assurances continued to develop insurance offers for professionals. At the same time, CIC continued to take appropriate measures to support its customers whose activities were affected by the crisis.

Throughout the year, CIC maintained its presence alongside young entrepreneurs through its partnerships with Moovjee, WorldSkills and the *Union des Auto-entrepreneurs.*

1.2.1.1.3 Agriculture market

Thanks to dedicated offers adapted to farmers' business lines and risks, CIC supports farmers from installation to transmission, with specific financing, account management and insurance offers.

A growing number of account managers are specialized in managing farmer customers. Thanks to the offers designed for them, and driven by a desire to win new customers, CIC has more than 51,000 farmer customers in 2023, up 3.8%.

The 2023 fiscal year marked the continuation of the agriculture sector policy, providing an objective analysis of farmers' environmental, social and governance (ESG) 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 promote 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 Loan - was on the increase.

The range of services for farmer customers was enhanced by three partnerships entered into as part of the *Kiosque à Services* (Service Kiosk) signed at the *Salon de l'Agriculture* 2023:

- 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.

Finally, 2023 saw the roll-out of the crop insurance reform. CIC, 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. 170 agricultural account managers were trained to offer customers the most appropriate protection for their situation.

1.2.1.1.4 Non-Profit Market

CIC has a full range of services for associations, foundations, social and economic councils and non-profit organizations (NPO), regardless of their size. The products offered cover their needs in account management (including the monitoring and collection of donations and contributions), savings, financing, insurance and employee savings. CIC also assists its customers who wish to financially support non-profit organizations whose social purpose is to help and support people in need. The number of customers in this segment came to almost 120,000, down -4.6%.

As part of its status as a benefit corporation, CIC 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.

Throughout the year, CIC also worked to support its partners by offering its products and services to clubs and licensees of sports federations such as the French Cycling Federation, and the French Swimming Federation. This same support approach has resulted in support for its music and culture partners (Easter Festival in Aix-en-Provence, Musée de l'Armée at Les Invalides).

1.2.1.1.5 Corporate market

CIC is a long-standing corporate partner. It provides businesses with solutions built around their needs: daily management of the business, development strategy, human resources, transmission, startups/ innovative companies and real estate professionals. In addition to offers intended for businesses, a range of products dedicated to the asset management of executives is also proposed. CIC has more than 600 account managers dedicated to this market, at the heart of its loyalty and winning customer strategy. Their expertise, their capacity for innovation and the quality of their follow-up convince more and more businesses to join the network. In 2023, customer acquisition continued, bringing the total number of customers in this market to over 163,000, an increase of almost 5.0%.

The year was marked by a further increase in Transition loans with more than €1 billion released, including €100 million for the new Transition Impact Loan.

In the field of corporate insurance, a partnership was established with Allianz in order to develop a multi-risk corporate offer. The range of services for retailers was extended with the launch of the Monetico Retail offering to facilitate the management of in-store and web sales, and the Paysurf solution for managing financial flows from marketplaces.

Finally, in employee savings, an impact-based profit-sharing contract is now available for companies wishing to add non-financial ESG criteria to motivate their employees.

1.2.1.2 Business line subsidiaries

1.2.1.2.1 Insurance

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. CIC is a shareholder of GACM (16%) and distributes GACM's insurance products through its network.

At end-2023, GACM covered a total of over 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 farming 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, amounted to €13.9 billion - of which €3.9 billion in CIC networks (*i.e.* 28%), 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.

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 stood at 6.9% (*versus* 7.8% in 2022), following a 0.9 point reversal to improve returns for our policyholders.

(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.

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 [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.

1.2.1.2.2 Factoring and receivables

Crédit Mutuel Factoring is the factoring subsidiary of Crédit Mutuel Alliance Fédérale. Specializing in the management and financing of trade receivables and suppliers, Crédit Mutuel Factoring has over 440 employees. This entity (a wholly-owned CIC subsidiary) is involved in the short-term financing of more than 11,000 corporate and professional customers in France and abroad, an increase of +21%.

Crédit Mutuel Factoring offers a number of factoring and notified business receivables management solutions known as Dailly. These offers are accompanied by additional services in terms of trade receivables monitoring, collections and guarantees against insolvency. Crédit Mutuel Factoring deploys digital offers such as debt dematerialization and online financing.

All of these offers, when they concern the CIC branch network, are offered under the CIC Factoring Solutions brand by a sales team located throughout France. When they concern the Crédit Mutuel network, they are offered under the Crédit Mutuel Factoring brand. In 2023, the volume of receivables purchased increased by +6.4% to €53.1 billion. At the balance sheet date, outstandings amounted to €7.4 billion, up +7.5%.

In 2023, Crédit Mutuel Factoring 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 further drives the conquest of the large corporates and international segments.

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

1.2.1.2.3 Equipment leasing

Crédit Mutuel Leasing is the subsidiary of Crédit Mutuel Alliance Fédérale specialized in the financing of capital goods through leasing and rental. For over 60 years, the subsidiary (wholly-owned by CIC) 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).

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.

In 2023, Crédit Mutuel Leasing's activity was up by +8% and exceeded €5.1 billion. As a result, Crédit Mutuel Leasing's outstandings were up and stood at €10.8 billion. With more than €909 million, international production represented 18% of the entity's total production.

This 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 industry continued to implement the priorities of the 2019-2023 strategic plan *ensemble#nouveau monde, plus vite, plus loin !* (together#today's world, faster, further!) in particular those relating to environmental commitments. Crédit Mutuel Leasing launched an impact leasing offer that enhances the value of our 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, driven in particular by the arrival of electric vehicles, Crédit Mutuel Leasing 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 rental and leasing offers distributed through all CIC regional bank 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.

Finally, 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.

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

1

1.2.1.2.4 Real estate leasing

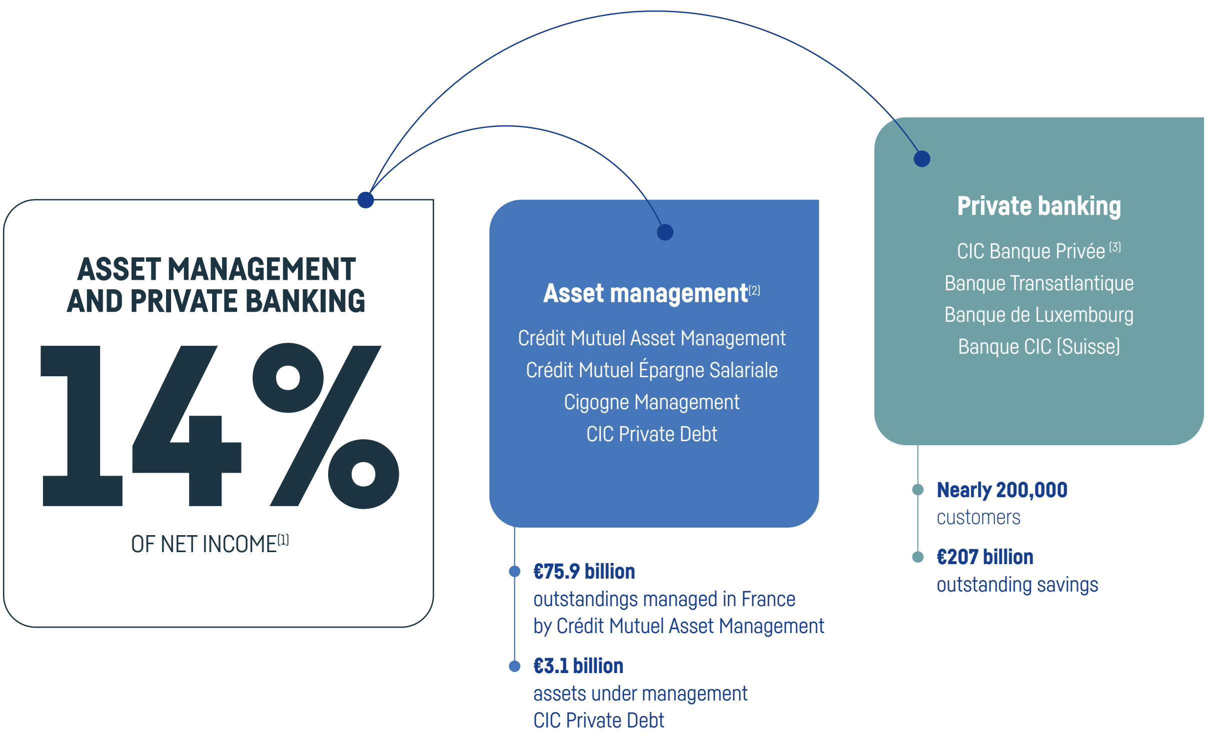
Crédit Mutuel Real Estate Lease (a majority-owned subsidiary of CIC) is a major player in the real estate leasing market in France. It meets the real estate investment needs of Crédit Mutuel Alliance Fédérale customers. It covers companies, professionals, social economy players and institutions. Crédit 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 rose by almost +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 environmental performance criteria into its analysis of financed projects, favoring renovation work and buildings with high energy performance, certification or electrical production processes.

1.2.2 Asset management and private banking



(1) Share of CIC's net income excluding the Holding segment. Excluding CIC Banque Privée (activity within the CIC network and its five regional banks).

(2) Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management were sold to BFCM in Q3 2023 and then transferred to La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.

(3) CIC Banque Privée is part of the CIC network and its five regional banks.

Private banking subsidiaries operate in France and internationally *via* Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse). The Asset Management business line includes the following entities: Crédit Mutuel Épargne Salariale, CIC Private Debt [1], Cigogne Management [5], Banque de Luxembourg Investments, Dubly Transatlantique Gestion.

(1) Companies sold in the third quarter of 2023 and then transferred to the La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.

1.2.2.1 Asset management

1.2.2.1.1 Crédit Mutuel Asset Management [1]

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 (+9.5%), 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.

It is also developing its "Social and Mutualist Responsibility" (SMR) action plan in line with the ambitions of Crédit Mutuel Alliance Fédérale. For example, conferences on responsible finance are organized for employees. 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 April 2024.

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

A subsidiary of Crédit Mutuel Asset Management, **Crédit Mutuel Gestion** which operates at CIC under the CIC Gestion trade name, is the main management company for CIC banks, including CIC Private Banking. It offers various management services for financial assets held in securities accounts, equity savings plans, life insurance contracts or capitalization. Retail customers, professionals, companies or non-profit organizations can benefit from the expertise of CIC Gestion's asset managers. They can opt either for a delegation of the management of their assets *via* discretionary management, arbitrage mandate and dedicated funds, or for an accompaniment of the follow-up of their assets *via* advised management and arbitrage board.

Working in close collaboration with the networks, **CIC Gestion** has given priority to local presence by locating its 181 employees in six regional divisions, on which 22 management centers depend. CIC 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.

Since 2020, Crédit Mutuel Asset Management has relied on **Crédit Mutuel Investment Managers**, Crédit Mutuel Alliance Fédérale's dedicated asset management business center. This entity is in charge of marketing Crédit Mutuel Asset Management's offering. In 2023, the management company's overall net inflows were positive, with €1.69 billion across all expertise. The year was marked in particular by the popularity of money market funds and maturity bond funds.

1.2.2.1.2 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.

(1) *The Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management entities were sold to BFCM in the third quarter of 2023 and then transferred to La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.*

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 €1.8 billion, 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.

1.2.2.1.3 Cigogne Management [1]

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.

1.2.2.1.4 CIC Private Debt [7]

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.

1.2.2.2 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, an activity 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.

(1) *The Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management entities were sold to BFCM in the third quarter of 2023 and then transferred to La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.*

These outlets offer, in France as well as abroad, a large range of services with high added value to over 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.

1.2.2.2.1 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 aims to support major private relationships is operational in each region with the appointment of ten dedicated major relationship private bankers, and at national level with the creation of a dedicated support team.

1.2.2.2.2 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.

1.2.2.2.3 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.

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.

(1) Data on all Private Banking (CIC Banque Privée, Banque Transatlantique Group, Banque de Luxembourg and Banque CIC (Suisse))

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.

1.2.2.2.4 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.

1.2.3 Corporate banking

CORPORATE BANKING

11%

OF NET INCOME[1]

€2.9 billion in climate impact financing

€12.9 billion Outstanding deposits

€22.8 billion Outstanding loans

5 branches

36 representative **offices** abroad

(1) Share of CIC's net income excluding the Holding segment.

Corporate banking meets the strategic challenges of Crédit Mutuel Alliance Fédérale's large corporate and institutional investor 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.

1.2.3.1 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.

1.2.3.2 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.

1.2.3.3 International operations and activities

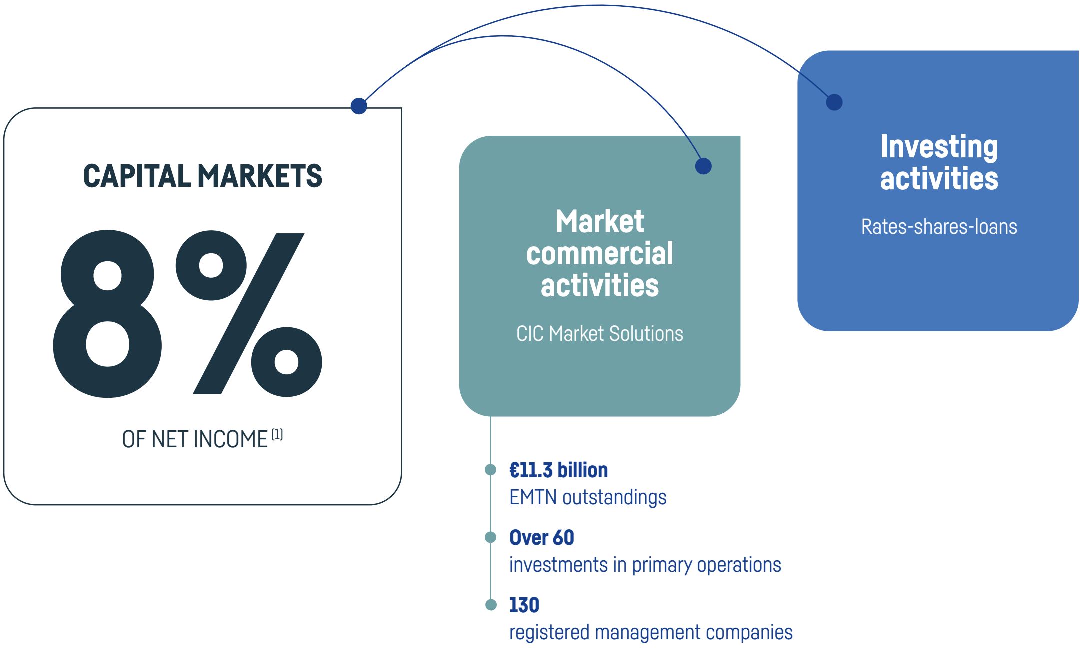
CIC, through its international activities department supports corporate customers in carrying out their international projects. The support of these customers and the development of their activities abroad is achieved thanks to the support of Crédit Mutuel Alliance Fédérale networks in Germany, Belgium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

1.2.4 Capital Markets



(1) Share of CIC's net income excluding the Holding segment.

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%).

1.2.4.1 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. More than 92,000 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 business line for market financing and other financial transactions, CIC Market Solutions took part in 61 primary transactions in 2023 despite a very adverse market environment for fundraising:

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

Three public offers were also finalized (not counting several others still in progress at year-end).

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 its customers hedging products that meet the challenges of the ecological transition.

1.2.4.2 Investing activities

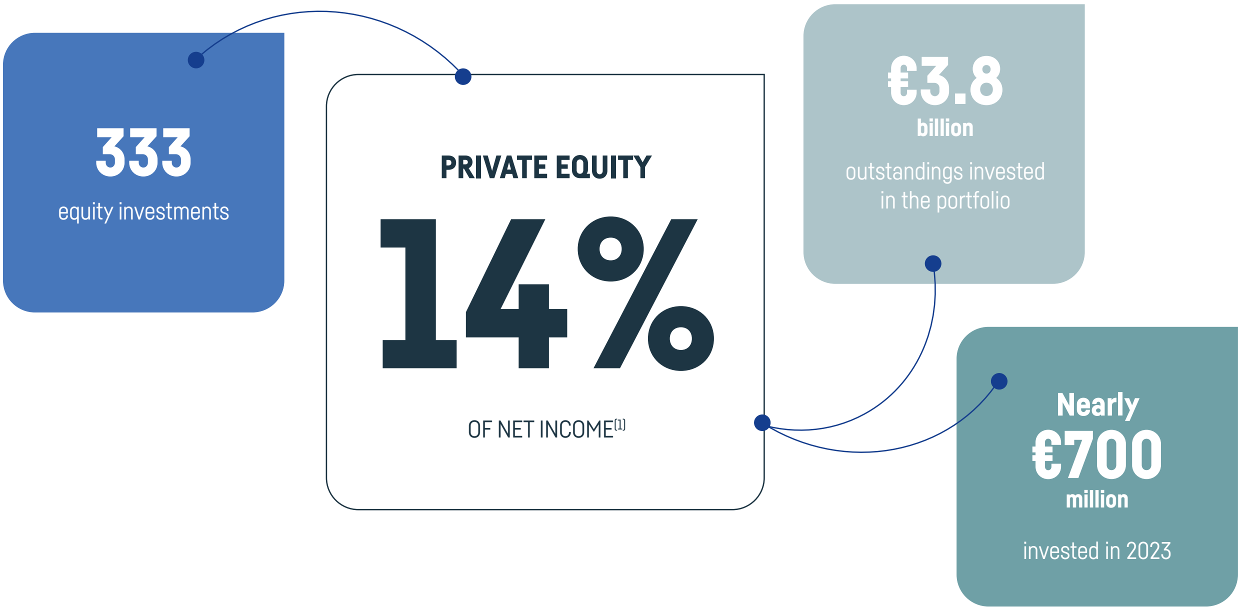
The investment activity essentially covers the buying and selling of securities acquired with the intention of holding them long-term, as well as transactions on financial instruments related to them. These transactions performed by CIC Marchés in CIC's balance sheet, give Crédit Mutuel Alliance Fédérale 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.

1.2.5 Private equity



(1) Share of CIC's net income excluding the Holding segment.

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 HISTORY OF CIC

CIC, the oldest custodian bank in France, developed internationally and in France before combining insurance and banking businesses.

1859. On May 7, creation of Société Générale de Crédit Industriel et Commercial by imperial decree of Napoléon III.

1864-1896. CIC's participation in the creation of banks in France and around the world.

1917. The shares of regional subsidiaries appear on CIC's balance sheet.

1918. Equity stakes in regional banks.

1927. Creation of the Group of Affiliated Banks (GBA) formed by regional banks.

1929. Creation of the Union des Banques Régionales pour le Crédit Industriel (UBR) bringing together 18 regional and local banks around CIC. CIC founded the Mutual Aid Society.

1968. Takeover of CIC by the Suez-Union des Mines group.

1971-1982. Majority ownership of CIC (72%) by Compagnie Financière de Suez.

1982. Nationalization of CIC and its nine regional banks grouped under the Affiliated Banks Group.

1983. Restructuring of CIC: the parent company holds a 51% stake in the regional banks.

1984. Creation of CIC Union européenne, International et Cie and Compagnie Financière du CIC.

1985. Entry of the insurance company GAN into the capital of Compagnie Financière du CIC.

1987. Holding of 100% of the regional banks by Compagnie Financière du CIC.

1989. GAN's stake increased to 51%.

1990. Merger of Compagnie Financière du CIC and Banque de l'Union Européenne, giving rise to Union européenne du CIC, CIC's bank and holding company, holding 100% of the capital of the regional banks.

1998. Acquisition of Union européenne du CIC by Crédit Mutuel, creation of the Crédit Mutuel-CIC group.

1999. Creation of Crédit Industriel et Commercial (CIC), a new structure and name, both head-of-network bank and a regional bank resulting from the merger of Union européenne du CIC (the group's holding company) with CIC Paris (regional bank in Île-de-France).

2001. Purchase of shares in Gan (23%) by Crédit Mutuel.

2004. Regional organization around six divisions: Île-de-France, Nord Ouest, Est, Sud Est, Sud Ouest and Ouest.

2016. Merger of CM-CIC Securities, the investment firm subsidiary, into CIC on January 1, integrating the business lines under the CM-CIC Market Solutions brand.

2017. Delisting on August 11, of CIC shares after the takeover by BFCM and Mutuelle Investissement. Sale on December 2, of Private Banking in Asia to the Crédit Agricole Indosuez Wealth Management Group.

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

The Caisse Fédérale de Crédit Mutuel (CFdeCM) and the CIC adopt a *raison d'être Ensemble, écouter et agir* (Listening and acting together) and a status of 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.

2021. Creation and official launch of the Fondation Crédit Mutuel Alliance Fédérale, which aims to unite all the networks, subsidiaries, including CIC, employees and elected representatives of Crédit Mutuel Alliance Fédérale around major and collective philanthropic actions in two areas: the environment and the territories.

2023. Crédit Mutuel Alliance Fédérale created the societal dividend that will mobilize 15% of net income each year to build a more sustainable and united world and launched the Environmental and Solidarity Revolution Fund.

Change of CIC's brand signature: *Construisons pour que le monde bouge* (Let's build for the world to change).

Sale of Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management shares to BFCM in July 2023 to be contributed to the La Française Group on January 1, 2024 to form an asset management division of Crédit Mutuel Alliance Fédérale.

Launch 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.

Keen to protect the environment, CIC offers solutions for financing the purchase or lease of an electric or hybrid vehicle.

BUSINESS 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 2023 fiscal year 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

2.1.2 Regulatory environment

The regulatory measures adopted by the various international and European authorities have a significant impact on CIC. Compliance with these rules concerns all of CIC's (entity of Crédit Mutuel Alliance Fédérale) 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, particularly in specialized business lines.

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 2023 - 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.

In the name of the strategic autonomy of the Capital Markets Union, the new Emir 3 text - still under discussion - imposes the localization on European territory of part of the clearing operations through the requirement of an "active account" with a central counterparty in the European Union. There are also plans to reduce the obligations weighing on European players, in particular as regards the exemption from clearing for "intra-group" transactions. The main aim of the changes envisaged is to improve the attractiveness and resilience of the EU clearing system and reduce the exposure of EU entities to third-country CCPs. EMIR 3 also draws lessons from specific issues that emerged during the recent energy crisis.

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).

With the aim of stimulating European capital markets, the European Commission has proposed revisions to the Markets in Financial Instruments Regulation (MiFIR) and the second Markets in Financial Instruments Directive (MiFID II). These new provisions should reduce information asymmetries between market players and enhance the orderly trading of commodity derivatives in the energy and food sectors.

Finally, according to the Financial Stability Board, 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.

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 2022, the HCSF [4] decided to raise the rate of the credit protection reserve (countercyclical bank capital buffer) to 1.0%, effective 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.

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 [5], 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.

(1) FRTB: Fundamental Review of the Trading Book.

(2) CRR3: Capital Requirements Regulation.

(3) CRD6: Capital Requirements Directive.

(4) High Council for Financial Stability.

(5) "Network and Information Security" - December 2022.

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) [1].

In addition, the EBA extends its anti-money laundering and terrorist financing monitoring guidelines to cryptoasset service providers.

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 2023-2024.

A regulatory review is also underway in France and Europe on disintermediated finance (DeFi [2]).

The Data Act regulation was published in December 2023 (application September 2025) and 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 EEE 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 in the European payments market, improving the fight against fraud, and strengthening users' rights.

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 (ESMA) has announced that it will launch in 2024 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. 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" package [3].

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.

Under the direction of ESMA, national supervisors will also be analyzing the way in which management companies report, in particular with regard to the SFDR regulation [4] and the Taxonomy [5].

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.

(1) Markets in Crypto-Assets.

(2) 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).

(3) 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.

(4) SFDR (Sustainable Finance Disclosure Regulation) is a regulation designed to promote sustainability in the finance sector in Europe, in particular by introducing a typology to help identify sustainable finance assets.

(5) The Taxonomy requires companies to communicate the proportion of their activities aligned with the Taxonomy's criteria (except for financial companies, whose application deadline has been pushed back to 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 MiFID2 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 Parliament's Economic and Monetary Affairs (ECON) Committee has adopted a proposal for a directive amending the Daisy Chain Banking Resolution Directive (BRRD) and the Single Resolution Mechanism Regulation on certain aspects of the Minimum Capital Requirement and Eligible Liabilities (MREL) [6]. The amendments focus on the definition and treatment of entities in liquidation and on the conditions for group entities to comply with the MREL on a consolidated basis.

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 which aims to establish the first-ever legal framework for Artificial Intelligence in Europe;
- 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.

(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.

(6) The MREL ratio ("Minimum Requirement for Own Funds and Eligible Liabilities") is designed to protect customer deposits in the event of massive losses.

2.2 ACTIVITIES AND CONSOLIDATED EARNINGS

2.2.1 Analysis of the consolidated balance sheet

The main changes in the consolidated balance sheet are as follows:

- Outstanding deposits rose by +3.7% to €230.3 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 A passbook accounts were particulary strong, with outstandings rising +18.6%, to €15.3 billion, at the expense of current accounts (-19.5%).

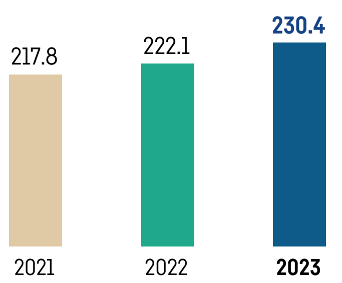
  Like the CIC banking networks, regulated savings [1] benefited from attractive interest rates, with positive growth of +8.9% to €37.0 billion.

  Negotiated deposits (term deposits and PEP) rose by +86.5% year-on-year to €64.3 billion, compared with €34.5 billion at the end of 2022.
- At the end of 2023, outstanding loans stood at €252.2 billion, a +5.1% increase year-on-year. Despite the rise in interest rates, growth in loan receivables remained favorable in all of the main loan categories
  - outstanding home loans rose by +4.5%, to €113.6 billion;
  - consumer credit rose by +6.5%, to €7.0 billion;
  - equipment loans and leasing receivables rose by +4.7%, to €91.7 billion;
  - outstanding home loans fell by -4.9%, to €32.0 billion;
  - x2.2 for other types of loans, reaching €7.9 billion;
- The "net customer loans/deposits" ratio stood at 109.5% at December 31, 2023, compared with 108.0% the previous year.
- Shareholders' equity attributable to the group amounted to €20,278 million compared to €18,012 million at December 31, 2022 proforma. The Basel III regulatory capital Common Equity Tier 1 (CET1) amounted to €18.5 billion, the Common Equity Tier 1 solvency ratio to 12.7% and the overall ratio to 14.4%. The leverage ratio stood at 4.7% compared to 4.3% in 2022.

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Current accounts	97.2	120.8	-19.5%	128.9
Livret A passbook accounts	15.3	12.9	+18.6%	11.3
Other passbook accounts	28.1	32.8	-14.6%	32.7
Mortgage savings agreements	11.2	12.4	-9.7%	12.4
Brokered deposits [1]	64.3	34.5	+86.5%	27.0
Other	14.3	8.8	+62.9%	5.5
Customer deposits	**230.4**	**222.1**	**+3.7%**	**217.8**

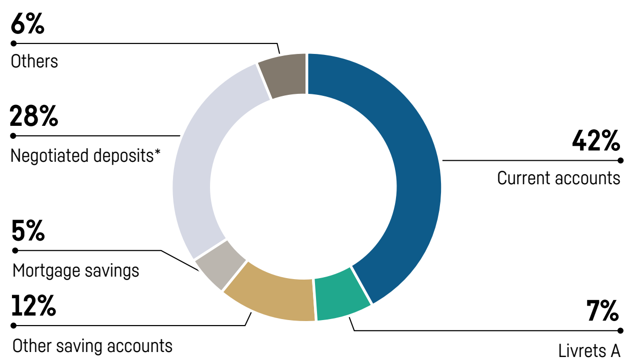
(1) PEP and term deposits

CUSTOMER DEPOSITS



Outstanding customer deposits at 12/31 in € billion

STRUCTURE OF DEPOSITS AT 12/31/2023



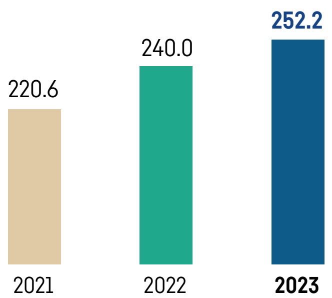
** PEP and term deposits.*

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

(outstanding loans in €bn)	12/31/2023	12/31/2022	Change	12/31/2021
Home loans	113.5	108.6	+4.5%	100.1
Consumer credit	7.0	6.6	+6.5%	6.3
Equipment and leasing	91.3	86.8	+5.1%	78.1
Operating loans [1]	30.6	32.2	-5.0%	32.9
Other	9.8	5.8	+70.1%	3.1
Customer loans	**252.2**	**240.0**	**+5.1%**	**220.6**

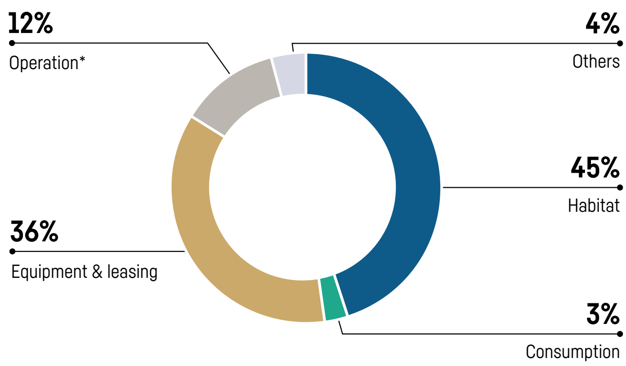
(1) *Current accounts in debit and cash loans.*

CUSTOMER LOANS



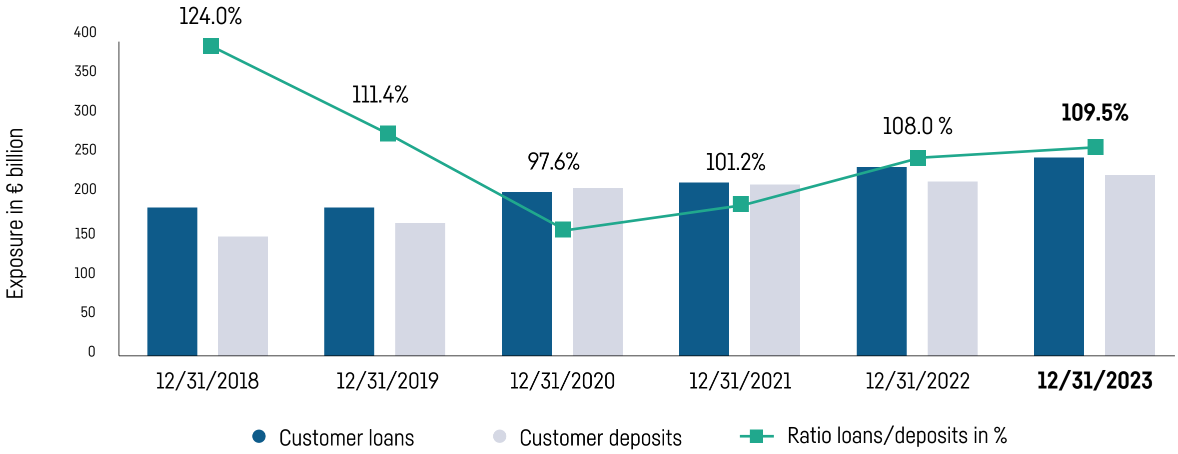
Outstanding customer loans
at 12/31 in € billion

STRUCTURE OF LOANS AT 12/31/2023



** Current accounts in debit and cash loans.*

CHANGE IN LOAN-TO-DEPOSIT RATIO



2.2.2 Analysis of the consolidated income statement

(in € millions)	2023	2022	Change
Net revenue	**6,458**	**6,327**	**+2.1%**
General operating expenses	-3,792	-3,557	+6.6%
of which contribution to the Single Resolution Fund, supervision costs and contributions to the FGD [1]	*-181*	*-223*	*-18.7%*
Gross operating income/(loss)	**2,666**	**2,770**	**-3.7%**
Cost of risk	-468	41	ns
cost of proven risk	*-562*	*-204*	*X 2.7*
cost of non-proven risk	*94*	*245*	*-61.5%*
Operating income	**2,198**	**2,810**	**-21.8%**
Net gains and losses on other assets and ECC [2]	355	130	X 2.7
Income before tax	**2,553**	**2,940**	**-13.2%**
Income tax	-564	-649	-13.2%
Net income	**1,989**	**2,291**	**-13.2%**
Non-controlling interests	3	2	ns
Group net income	**1,986**	**2,289**	**-13.3%**

(1) DGF = Deposit guarantee fund.
(2) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Net revenue

Against the backdrop of a changing interest-rate environment, CIC's net revenue continued to grow, topping €6.4 billion, an increase of 2.1% compared with December 31, 2022. This trend was driven by the good performance of the specialized business lines, particularly private banking, corporate banking and Capital Markets despite a decline in retail banking.

Retail banking is adapting to the new interest rate environment. With a decrease in volumes of new loans, rising cost of funds and usury rate constraints, retail banking revenues fell by -4.2%, to €4.0 billion.

The banking network reported net revenue of €3.8 billion (-3.8%).

The contribution from asset management and private banking rose by 15%, to €937 million at the end of 2023, of which almost €738 million from private banking, reflecting sustained commercial activity, an increase in the net interest margin 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 (+34.2%) to €623 million.

Capital Markets benefited from market movements, with net revenue up +36% to €465 million, 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.

General operating expenses and gross operating income

In 2023, general operating expenses rose by 6.6% to €3.8 billion, in line with development targets and in a context of inflation.

Employee benefits expenses (55% 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 for €28 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 €181 million in 2023 (*versus* €223 million in 2022).

The cost/income ratio reached 58.7% in 2023, compared to 56.2% in 2022 on the basis of comparable standards.

Gross operating income fell (-3.7%) to €2.7 billion.

Cost of risk and operating income

The year 2023 was marked by an increase in the overall cost of risk to €468 million, which weighed on results:

- an increase in the cost of proven risk for network and consumer credit customers, as well as for corporate banking customers, due to a rise in defaults in the professional and business customer markets, and to the downgrading of market files. This deterioration reflects uncertain economic conditions and stands at 16 basis points (compared to 10 basis points at the end of 2022), but below the 2019 level (17 basis points);
- a net reversal of the cost of non-proven risk of nearly €94 million, compared with €245 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).

The non-performing loan ratio increased to 2.7%, identical to that of the pre-Covid-19 period.

Given this deterioration in the cost of risk, operating income fell by -21.8% over the year to €2.2 billion.

Income before tax

After a €119 million share of income from equity consolidated companies (Groupe des Assurances du Crédit Mutuel) and a €231 million capital gain on the sale of Crédit Mutuel Asset Management, Cigogne Management and CIC Private Debt to BFCM, income before tax fell by -13.2%, to €2.6 billion.

Net income

In a still troubled macroeconomic context, net income fell by 13.2%, to nearly €2.0 billion.

The group net income was €1.99 billion (-13.3%).

2.2.3 Rating

CIC's ratings replicate those of Crédit Mutuel Alliance Fédérale - Banque Fédérative du Crédit Mutuel, which holds its equity.

	LT/ST Counterparty**	Issuer/ Senior debt preferred LT	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	04/04/2024
*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 rating.

(3) Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.

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.

2.2.4 Analysis of results by business line

2.2.4.1 Retail banking

Retail banking, CIC's core business line, concentrates all banking or specialized activities whose products are marketed by the branches: life insurance and non-life insurance, equipment leasing and leasing with option to purchase, real estate leasing, factoring, real estate. The branches network is organized into five regional divisions – the regional banks - and CIC in Île-de-France. The insurance business line – which is consolidated using the equity method – is included in this business segment.

(in € millions)	2023	2022	Change
Net revenue	**4,024**	**4,201**	**-4.2%**
General operating expenses	-2,643	-2,471	+7.0%
Gross operating income/(loss)	**1,381**	**1,730**	**-20.2%**
Cost of risk	-229	52	ns
Cost of proven risk	*-294*	*-156*	*+88.2%*
Cost of non-proven risk	*65*	*208*	*-68.7%*
Operating income	**1,152**	**1,782**	**-35.3%**
Net gains and losses on other assets and ECC[1]	123	125	-1.8%
Income before tax	**1,275**	**1,907**	**-33.1%**
Income tax	-328	-482	-32.0%
Net income	**947**	**1,425**	**-33.5%**
Non-controlling interests	1	-1	ns
Group net income	**946**	**1,425**	**-33.5%**

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

In terms of income, CIC's retail banking activity recorded a decline in its net revenue (-4.2%) to €4.0 billion. It was impacted by a sharp drop in net interest margin (-9.1%); commission income was positive (+2.7%).

General operating expenses increased by 7.0% to over €2.6 billion.

The cost/income ratio deteriorated by 6.9 percentage points to 65.7%, and gross operating income fell by 20.2% to nearly €1.4 billion.

The cost of risk was a net charge of €229 million, compared with a net reversal of €52 million in 2022.

Income before tax fell by 33.1% to € 1.3 billion.

Net income was €947 million in 2023, down sharply by 33.5% year-on-year.

2.2.4.1.1 Banking networks

(in € millions)	2023	2022	Change
Net revenue	**3,836**	**3,989**	**-3.8%**
General operating expenses	-2,465	-2,309	+6.8%
Gross operating income/(loss)	**1,371**	**1,680**	**-18.4%**
Cost of risk	-235	74	ns
cost of proven risk	*-291*	-148	*+96.8%*
cost of non-proven risk	*56*	222	*-74.7%*
Operating income	**1,136**	**1,754**	**-35.2%**
Net gains and losses on other assets and ECC[1]	4	4	-12.7%
Income before tax	**1,140**	**1,758**	**-35.2%**
Income tax	-306	-469	-34.8%
Net income	**834**	**1,290**	**-35.3%**

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

The number of customers in the banking network stood at 5.6 million at the end of December 2023, a +1.5% increase year-on-year, representing an increase of more than 83,000 customers. In the professional and corporate market, with a total of over one million customers, growth was higher at +2.4%. The trend in retail customers was more moderate, at +1.2% representing nearly 80% of the portfolio.

Outstanding deposits amounted to €176.2 billion at the end of December 2023, up by +4.8%.

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 the previous year.

Outflows from current accounts (-17.2%) were transferred to Livret A passbook accounts, where outstandings rose by 18.6% to over €15 billion. In addition, the attractive interest rates offered were also conducive to the development of term deposits and PEP savings plans. As a result, negotiated deposits increased by €25.2 billion to almost €44 billion by the end of 2023.

Outstanding loans reached €180.5 billion, a +3.2% increase at end-December 2023, *versus* €174.9 billion in 2022. Overall, the CIC network generated €38.9 billion in new loans, down 18.4% from €47.7 billion a year earlier.

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

- +4.5% 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;
- +4.9% for outstanding investment loans, to €52.5 billion; demand for project support from professional customers remained strong with releases of €14.2 billion (-19.2%);

The multiservice strategy boosted customer equipment levels:

- property & casualty and personal insurance contracts (excluding life and credit insurance) reached 6.6 million, up +3.8% year-on-year;
- mobile telephone contracts rose slightly year-on-year to 556,000 at the end of 2023;
- the number of remote home surveillance subscriptions rose by +5.1% to more than 123,000 contracts.

For the CIC banking network, growth in commissions (+3.3%) did not rule out a decline in net revenue (-3.8%), 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 35.3%, to €834 million in 2023.

2.2.4.1.2 Support services for Retail Banking

The support services for Retail Banking comprise the specialized subsidiaries that market their products through their own channels and/or through the local CIC banks or branches: factoring and receivables management, leasing and real estate.

Within the retail banking activity, the supporting business lines made net revenue of €188 million (-11.5%), net of fees paid to the network. Net income came to €113 million (*versus* €135 million at December 31, 2022) after taking into account the group's €119 million share of the profit of Groupe des Assurances du Crédit Mutuel (€121 million at end-2022).

2.2.4.2 Asset management and private banking

The companies that make up this business line operate in France and internationally through Banque Transatlantique, Banque de Luxembourg, Banque CIC (Suisse) and Crédit Mutuel Épargne Salariale. The asset management subsidiaries Cigogne Management, CIC Private Debt and the stake in Crédit Mutuel Asset Management were sold to BFCM in the second half of 2023.

In 2023, Asset Management and Private Banking represented 15% of the revenues of CIC's operating business lines. The table below presents the elements constituting the profit/(loss) of the asset management and private banking business line for the fiscal years 2022 and 2023.

(in € millions)	2023	2022	Change	Change at constant scope
Net revenue	**937**	**815**	**+15.0%**	**+17.4%**
General operating expenses	-555	-521	+6.6%	+8.3%
Gross operating income/(loss)	**382**	**294**	**+29.8%**	**+33.7%**
Cost of risk	-75	-33	X 2.2	X 2.2
Operating income	**306**	**261**	**+17.4%**	**+21.0%**
Net gains and losses on other assets and ECC	16	13	+25.3%	X 11.6
Income before tax	**323**	**274**	**+23.3%**	**+26.9%**
Income tax expense	-68	-53	+27.7%	+33.4%
Net profit/(loss)	**255**	**221**	**+15.4%**	**+25.3%**

(1) Neutralization of Cigogne Management, CIC Private Debt and CM Asset Management's exit from the scope of consolidation in 2023.

At €937 million, net revenue from asset management and private banking increased by +15.0% amid a difficult economic environment and tensions in the financial markets. This increase was mainly due to the excellent net interest margin at the private banking entities at €419 million (+47.9%) and to sustained commercial activity, while asset management revenues were down.

In 2023, general operating expenses increased by +6.6% and gross operating income rose by more than 29.8% to €382 million.

"Net gains and losses on other assets and ECC" were €16 million, compared with €13 million in 2022, including non-recurring income related to the first-time consolidation of CIC Private Debt.

Net income therefore rose to €255 million compared with €221 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%).

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

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, a 20% increase 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.

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, a +17% increase 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 were down -2.0% to €16.9 billion, and loans grew +8.7% to €10.7 billion.

Net revenue, a +23% increase, stood at €240 million. Net income came to €47.7 million, a sharp +43% increase compared to 2022, representing the best result in the bank's history despite an increase in provisions.

2.2.4.3 Corporate banking and Capital Markets

In 2023, Corporate Banking and Capital Markets represented 17% of the revenues of CIC's operating business lines. The table below presents the items making up the profit/(loss) of the Corporate Banking and Capital Markets business line for the 2023 and 2022 fiscal years.

(in € millions)	2023	2022	Change
Net revenue	**1,088**	**806**	**+34.9%**
General operating expenses	-411	-379	+8.5%
Gross operating income/(loss)	**677**	**428**	**+58.3%**
Cost of risk	-164	20	ns
Operating income	**513**	**448**	**+14.6%**
Net gains and losses on other assets and ECC[1]	8	0	ns
Income before tax	**521**	**448**	**+16.4%**
Income tax	-178	-103	+73.0%
Net income	**343**	**345**	**-0.4%**

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

2.2.4.3.1 Corporate banking

Corporate banking includes financing of large companies and institutional customers, value-added financing (exports, projects and assets, etc.), international and foreign branches.

(in € millions)	2023	2022	Change
Net revenue	**623**	**464**	**+34.2%**
General operating expenses	-154	-142	+8.5%
Gross operating income/(loss)	**468**	**322**	**+45.5%**
Cost of risk	-159	21	ns
Cost of proven risk	-194	-37	X 5.1
Cost of non-proven risk	34	58	-40.6%
Income before tax	**317**	**343**	**-7.4%**
Income tax	-121	-75	+61.3%
Net income	**197**	**268**	**-26.6%**

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 relies on the action of the "corporate" networks for their large customers, and contributes to the development of international business and to the implementation of specialized financing (acquisitions, assets, projects).

Net revenue increased by +34.2%, to €623 million at the end of 2023.

The cost of risk reflects a net charge of €159 million in 2023, compared with a reversal of €21 million at the end of December 2022.

Net income therefore fell by -26.6%, to €197 million in 2023, compared to €268 million the previous year.

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 +13% compared to the previous fiscal year. Net revenue (NBI)[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. Net income[18] reached €182 million, which is higer than in 2022.

The **large corporates** (CIC Corporate) activity supports the development of listed and unlisted major French and foreign industrial companies and 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.

2.2.4.3.2 Capital Markets

Capital Markets include investments in interest rate, equity and credit activities as well as stock market intermediation.

(in € millions)	2023	2022	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	X 8.1
Income before tax	**204**	**105**	**+93.9%**
Income tax	-57	-28	x 2
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.

Capital Markets benefited from opportunities arising from movements on the financial markets. 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.

Net income from Capital Markets totaled €147 million in 2023, 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.

2.2.4.4 Private equity

Private Equity combines equity investments, merger and acquisition advising and financial and stock market engineering.

In 2023, Private Equity represented 5% of the revenues of CIC's operating business lines. The table below presents the elements constituting the profit/(loss) of private equity for the fiscal years 2023 and 2022.

(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.

2.2.4.5 Structure and holding company

The holding business line includes all specific structural costs/products not assignable to other activities.

(in € millions)	2023	2022	Change
Net revenue	**65**	**75**	**-14.3%**
General operating expenses	-97	-112	-13.9%
Gross operating income/(loss)	**-32**	**-37**	**-13.1%**
Net gains and losses on other assets and ECC	207	-8	ns
Income before tax	**176**	**-45**	**ns**
Income tax	12	5	X 2.1
Net income	**187**	**-40**	**ns**

At the end of 2023, the net revenue of the holding structure mainly includes:

- €31 million for Group treasury and the financing of the cost of securities (€89 million in 2022);

All in all, net revenue fell by €10 million between 2023 and 2022.

General operating expenses fell from €112 million at the end of 2022 to €97 million at the end of 2023.

Net gains and losses on other assets and ECC include a capital gain on the disposal of CIC Private Debt, Cigogne Management and Crédit Mutuel Asset Management in the amount of €231 million in 2023.

Income before tax was €176 million compared to a loss of -€45 million at the end of 2022. Income tax recorded an income of €12 million compared to €5 million in 2022.

Group net income amounted to €187 million compared to a loss of -€40 million in 2022.

2.2.5 Alternative performance indicators

2.2.5.1 Definitions of alternative performance indicators

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 "general operating expenses" and "movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets") and "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 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" on the assets side of the consolidated balance sheet.	Measurement of customer loan activity.
Cost of proven risk	Impaired assets (S3) see note "Cost of counterparty risk".	Measurement of the level of proven risk (non-performing loans).
Cost of non-proven risk	Expected losses at 12 months (S1) + expected losses at maturity (S2) – See note to the financial statements. Application of IFRS 9.	Measurement of the level of non-proven risk (performing loans).
Customer deposits; Accounting deposits	The "Amounts due to customers at amortized cost" item of the liabilities side of the consolidated balance sheet.	Measurement of customer activity in terms of balance sheet resources
Insurance savings	Life insurance outstandings held by our customers – 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 measurement 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
Loans/deposits 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 coverage ratio measures the maximum residual risk associated with loans in default ("non-performing loans")
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).	Asset quality indicator.

2.2.5.2 Alternative performance indicators, reconciliation with financial statements

(in € millions)

Cost/income ratio	2023	2022
General operating expenses	-3,792	-3,557
Net revenue	6,458	6,327
COST/INCOME RATIO	**58.7%**	**56.2%**

Loans/deposits	12/31/2023	12/31/2022
Net customer loans	252,182	240,002
Customer deposits	230,348	222,144
LOANS/DEPOSITS	**109.5%**	**108.0%**

Coverage ratio of non-performing loans	12/31/2023	12/31/2022
Impairment of customers on non-performing loans	-2,673	-2,268
Non-performing loans (S3)	6,946	5,798
COVERAGE RATIO OF NON-PERFORMING LOANS	**38.5%**	**39.1%**

Total coverage ratio	12/31/2023	12/31/2022
Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans	-3,605	-3,314
Gross receivables subject to individual impairment (S3)	6,946	5,798
TOTAL COVERAGE RATIO	**51.9%**	**57.2%**

Non-performing loan ratio	12/31/2023	12/31/2022
Non-performing loans (S3)	6,946	5,798
Gross customer loans	255,787	243,316
NON-PERFORMING LOAN RATIO	**2.7%**	**2.4%**

Overall cost of customer risk related to outstanding loans	12/31/2023	12/31/2022
Total cost of customer risk	-408	-20
Gross customer loans	255,787	243,316
TOTAL COST OF CUSTOMER RISK IN RELATION TO OUTSTANDING LOANS (IN BPS)	**16**	**1**

Net income/average regulatory assets (ROA)	2023	2022
Net income	1,989	2,291
Average assets	409,167	383,881
RETURN ON ASSETS	**0.49%**	**0.60%**

2.2.6 Recent developments and outlook

Post-balance sheet events

Changes in the governance of Crédit Mutuel Alliance Fédérale, parent company of CIC

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 Center Est Europe), to the Board of Directors of Caisse Fédérale de Crédit Mutuel (parent entity of Crédit Mutuel Alliance Fédérale) and to the Shareholders' 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 Center Est Europe federation, Crédit Mutuel Alliance Fédérale and the National Confederation.

On November 22, 2023, the Board of Directors of CIC 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;
- Mr. Claude Koestner, Chief Operating Officer - effective manager.

Prospects

CIC rolls out on a daily basis the strategic areas of the TOGETHERNESS, PERFORMANCE, SOLIDARITY 2024-2027 plan, initiated in December 2023 by its parent company, Crédit Mutuel Alliance Fédérale, 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 ACTIVITIES AND PARENT COMPANY RESULTS

The annual financial statements were the subject of a report by the statutory auditors.

2.3.1 Accounting principles

The annual financial statements are prepared in accordance with ANC Regulation 2014-03 relating to the general accounting plan as amended by ANC Regulation 2015-06 and Regulation 2014-07 relating to the financial statements of companies in the banking sector.

2.3.2 Highlights of 2023

Nil.

2.3.3 Developments in CIC Île-de-France network

At December 31, 2023, the Île-de-France network consisted of 296 branches.

The number of customers rose by +2.5% to 916,934.

Outstanding loans were up by 2.8% compared to 2022. They reached €30.1 billion, including €20.6 billion in home loans (+5.6%). Deposits were up by 1.1% with outstandings at €36.2 billion. Financial savings totaled €13.7 billion (+9.3%).

2.3.4 Developments in Corporate Banking and Capital Markets

Outstanding loans totaled €23.8 billion, up by 5.8%.

Deposits reached €12.8 billion, compared to €12.6 billion in 2022, up 1.3%.

2.3.5 Parent company results in 2023

Net revenue rose from €2,434 million in 2022 to €3,108 million in 2023, up 27.7%, including +€228 million in net interest margin. Dividends received from subsidiaries and affiliates amounted to €1,002.3 million, compared with €1,085.3 million in 2022, *i.e.* -7.6%. They mainly come from regional banks and CIC subsidiaries.

Net commissions amounted to €415 million, down -6.7% from €445 million in 2022.

General operating expenses increased by 8.0% to €995 million (€921 million in 2022) with the average full-time equivalent workforce rising from 19,290 in 2022 to 19,488 in 2023.

Gross operating income (EBITDA) amounted to €2,113 million compared to €1,513 million in 2022 (+39.7%).

The cost of risk increased by €134 million. It amounted to €242 million at the end of 2023 compared to €108 million a year earlier.

Income tax includes income tax relating to CIC activities as well as the tax consolidation income of CIC. It was €249 million in 2023 compared to €120 million in 2022.

"Net gains and losses on non-current assets" in 2023 includes the proceeds from the sale of CM Asset Management, Cigogne Management and CIC Private Debt shares for €101 million, €36 million and €110 million respectively.

Net corporate income stood at €1,871 million, compared with €1,268 million in 2022, an increase of 47.5%.

Shareholders' equity stood at €12,301 million at December 31, 2023 (€10,427 million at December 31, 2022).

For the compensation paid to senior management, please refer to the consolidated management report.

For shareholdings at December 31, 2023, the changes made during the fiscal year as well as the dividends paid are shown in Chapter 8 "Capital and legal information".

Activity of the subsidiaries is shown in the tables presented in Section "7.4 Activities and financial results of subsidiaries and equity investments".

2.3.6 LME law – Payment terms

Articles L. 441-14 and D. 441-6 of the French Commercial Code provide for companies whose financial statements are certified by a statutory auditor to provide specific information on the payment terms of suppliers and customers.

Given the status as a credit institution, the information communicated relative to payment deadlines specified by Article D.441-4 of the French Commercial Code does not include the bank transactions and ancillary transactions governed by the French Monetary and Financial Code.

- The status of unpaid invoices received and issued but not paid (Article D.441-4 § I), is as follows at the end of December 2023:

	Article D.441-4 1°: Invoices received and not paid at the reporting date of the fiscal year which are overdue						Article D.441-4 2°: Invoices issued but not paid at the reporting date of the fiscal year which are overdue					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**	**0 days (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) LATE PAYMENT INSTALLMENTS												
Number of invoices concerned	467	-	-	-	-	101	454	-	-	-	-	191
Total amount of invoices concerned (incl. VAT)	2,088,040.74	31,928.88	2,133.27	15,473.76	37,899.40	87,435.31	53,888,64.72	1,371,919.89	323,715.10	147,738.57	244,528.18	2,087,901.74
Percentage of total purchases (incl. VAT) for the fiscal year	0.71%	0.01%	0.00%	0.01%	0.01%	0.03%	-	-	-	-	-	-
Percentage of revenue (incl. VAT) for the fiscal year	-	-	-	-	-	-	-	0%	0%	0%	0%	0%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED DEBTS AND RECEIVABLES												
Number of invoices excluded	-	-										
Total amount of excluded invoices	-	-										
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL DEADLINE – ARTICLE L.441-6 OR ARTICLE L.443-1 OF THE FRENCH COMMERCIAL CODE)												
Reference payment terms used to calculate late payments	■ Contractual period of payment: 30 days ■ Statutory period of payment: unless otherwise stipulated in the conditions of sale or agreed between the parties, payment is due on the 30th day following receipt of the goods or performance of the service.						■ Contractual period of payment: 30 days ■ Statutory period of payment: unless otherwise stipulated in the conditions of sale or agreed between the parties, payment is due on the 30th day following receipt of the goods or performance of the service.					

- The statement of invoices received and issued that were subject to late payment during the fiscal year (Article D.441-4 § II):

There were no (non-banking) transactions significant in amount subject to late payment during the year 2023. The few outstanding debts at the end of 2023, which are not significant in amount, with a maturity of more than 61 days, represent amounts still due following litigation, omission, or in some cases, debts representing notary fees and taxes due to the authorities in connection with the acquisition or construction of buildings.

CIC is committed to more sustainable agriculture through its agricultural installation loans, in particular to support the agri-environmental transition.

CORPORATE SOCIAL RESPONSIBILITY

3.1 PREAMBLE

This declaration of non-financial performance is established on a voluntary basis and includes the 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.

The Crédit Mutuel group's actions in terms of social and environmental responsibility are reported by Confédération Nationale du Crédit Mutuel (CNCM) (on a voluntary basis) and by Crédit Mutuel Alliance Fédérale. Those of Crédit Mutuel Alliance Fédérale are published in its registration document.

The figures refer to the scopes described in the methodological note (chapter 3.10) for each type of data. When this is not the case, the scope is specified with regard to the data.

In addition, some paragraph headings include MA (Business Model), R/O (Non-financial Risks and Opportunities), SOCXX, SOTXX, ENVXX codification in order to facilitate reconciliation with a cross-reference table present at the end of this statement.

3.2 PRESENTATION

3.2.1 Business model (BM)

For more than a century and a half, CIC has distinguished itself by relying on a spirit of initiative, a capacity for innovation, a taste for challenges, an entrepreneurial mindset and a search for simplicity.

The primary subsidiary of Crédit Mutuel Alliance Fédérale, CIC is a universal bank organized around five business lines – bank insurance, corporate banking, Capital Markets, private banking and asset management and private equity.

CIC's business model and strategic priorities are described in the introductory section of its universal registration document.

In a difficult economic context, CIC continued in 2023 to finance the local economy and to support its customers by being proactive and adapting to the situation of each individual, particularly the most vulnerable.

3.2.2 A *raison d'être* focused on the issues at stake

In 2020, CIC, within Crédit Mutuel Alliance Fédérale and with all its subsidiaries, adopted the following *raison d'être*: *Ensemble, écouter et agir* (Listening and acting together). It adopted the status of a benefit corporation and pursues the following social and environmental objectives:

- as a cooperative and mutualist organization, we support our customers in their best interests;
- as a bank for all, customers and employees, 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 missions were initially broken down into 13 concrete applicable commitments.

The monitoring of the execution of these missions is entrusted to a Mission Committee which 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 (OTI), which issues an opinion attached to the Mission Committee's report.

These commitments enhance more specifically commitments 10 and 11 related to the group's climate strategy and its environmental ambition to align its activities with the trajectory of the Paris Agreement [1].

3

CIC'S 13 COMMITMENTS

Mission 1: As a subsidiary of a cooperative and mutualist organization, we support our customers in their best interests.	1. Guarantee to each customer a dedicated, non-commissioned advisor.
Mission 2: As a bank for all, customers and employees, we act for everyone and refuse any discrimination.	2. Train all our employees and directors in the fight against discrimination.
	3. Recruit 25% of work-study students from priority neighborhoods and rural areas.
	4. Defend gender pay equality at all levels of the bank.
Mission 3: Respectful of everyone's privacy, we place technology and innovation at the service of people.	**5. Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France.**
	6. Invest productivity gains from artificial intelligence in employment and development.
Mission 4: As a solidarity-based company, we contribute to regional development.	7. Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches.
	8. Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.
	9. Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions.
Mission 5: As a responsible company, we actively work for a fairer and more sustainable society.	**10. Reduce the group's carbon emissions[1] by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022.**
	11. Promote the energy transition by no longer financing new oil and gas projects.
	12. Insure the real estate loans of our loyal customers without any medical formalities.
	13. Committing to customers in financial difficulty with an account at €1 net per month with no incident fees.

(1) France scopes 1, 2 and 3 energy consumption, refrigerant gas leaks, motor fleet and business travel.

CIC is also a player in the societal dividend created by Crédit Mutuel Alliance Fédérale in response to the scale of the climate crisis and growing inequalities.

(1) A cross-reference table between the commitments of the benefit corporation the objectives of the 2019-2023 strategic plan and those of the CSR policy can be found in Chapter 3.3.

3.2.3 A group committed to social and environmental issues

CIC is involved in the policy defined at Crédit Mutuel Alliance Fédérale level, based on the values of proximity, responsibility and solidarity.

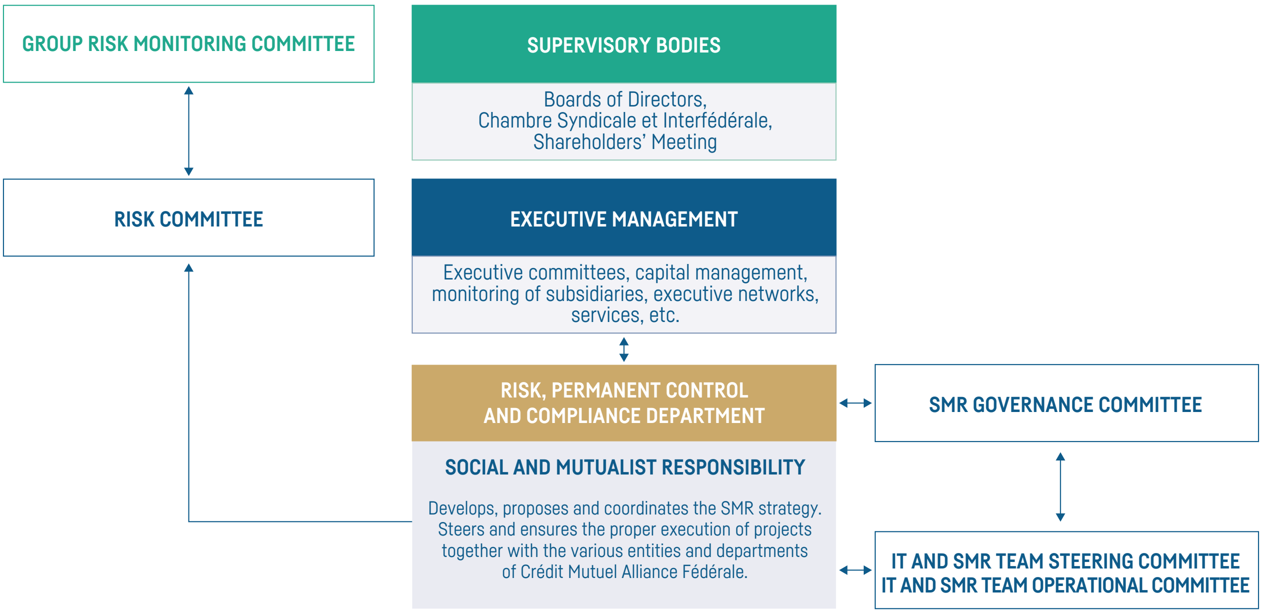
Governance

CIC's corporate governance system in terms of corporate social responsibility is integrated into that of Crédit Mutuel Alliance Fédérale [1]. This system brings together all group functions and relies on the Social and Mutualist Responsibility (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.

The approach is based on responsible and committed governance.

Since 2021, due to the increasing number of SMR issues, an SMR Governance Committee has been set up to strengthen the governance in place. The SMR Governance Committee, coordinated by the risk department, is made up of the group's main senior executives 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



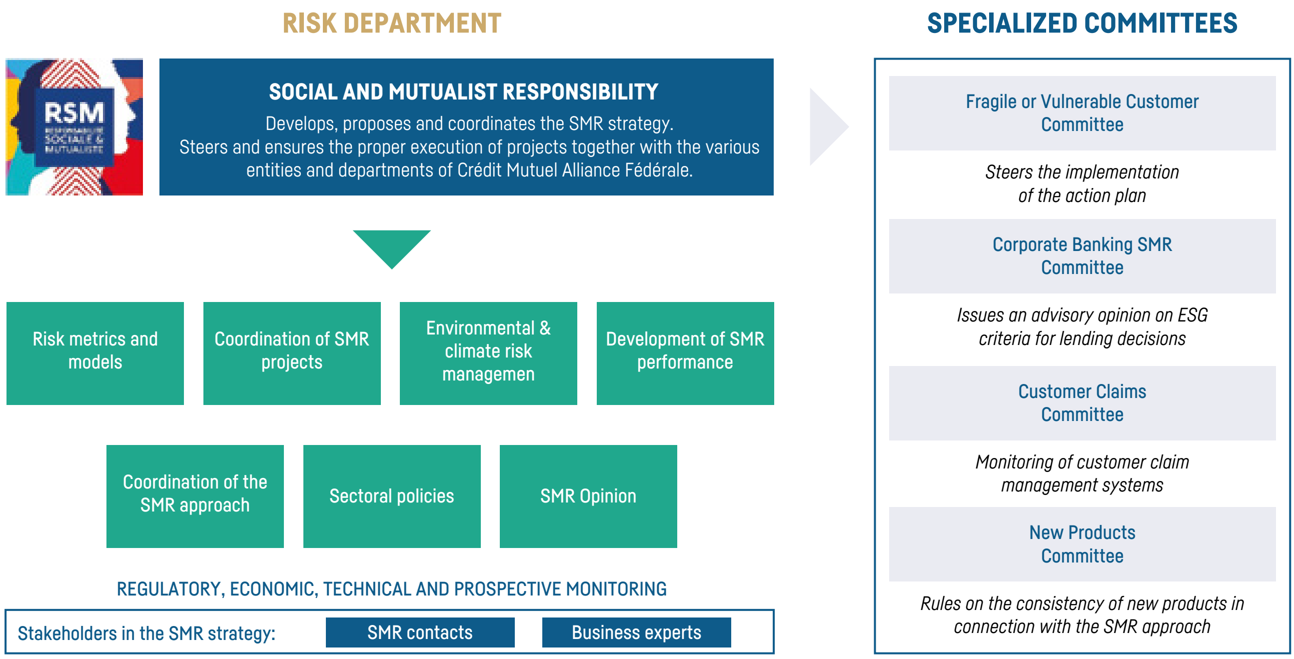
Note: CIC's Board of Directors is one of its supervisory bodies.

(1) *Please refer to Crédit Mutuel Alliance Fédérale's non-financial performance statement in section 1.1.*

The main missions and objectives of the SMR department 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 in conjunction with CNCM's risk department. This is so that it meets the prudential regulations and requirements in force, in particular by implementing appropriate procedures for the decision-making and reporting tools used by group entities (in particular sectoral policies);
- coordinate and ensure the proper execution of SMR projects alongside of business line experts (HR, logistics, IT, sales, etc.);
- report on the actions carried out to the SMR Governance Committee and to the executive and supervisory bodies;
- 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 corporate social responsibility (CSR) contacts responsible, within the various Crédit Mutuel Alliance Fédérale's entities and structures, for disseminating the group's CSR policy;
- communicating and training group employees to improve the appropriation of policies and action plans related to ESG issues.

Role and responsibilities of the SMR division



Strategic orientations (ENV01)

Crédit Mutuel Alliance Fédérale is developing its CSR approach with a goal of creating innovation, wealth and sustainable growth. This approach is based on five ambitions comprising 15 commitments.

GOAL	COMMITMENTS
MEMBERS AND CUSTOMERS	1 – Listen to our customers and members
	2 – Promote banking inclusion
	3 – Manage risks in the conduct of business
GOVERNANCE	4 – Support the effectiveness of governance bodies
	5 – Empower cooperative governance
SOCIETAL	6 – Formalize a responsible purchasing policy
	7 – Maintain responsible relationships with our partners
	8 – Contribute to regional development
	9 – Promote our local initiatives
SOCIAL	10 – Promote diversity and equal opportunities
	11 – Strengthen career support, synergies in the development of internal mobility and skills development
	12 – Make work life and internal communication processes a strategic lever for employee commitment
	13 – Strengthen the dynamics of social dialog
ENVIRONMENTAL	14 – Reduce our environmental impact
	15 – Promote quality products and responsible services

Following work to match these ambitions with the United Nations Sustainable Development Goals (SDGs) with the voluntary participation of all Crédit Mutuel Alliance Fédérale entities (France scope), six SDGs were selected (numbers 3, 4, 5, 8, 9 and 13) whose challenges are consistent with the commitments of the group's SMR approach.

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 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 approach is part of Crédit Mutuel Alliance Fédérale's 2019-2023 strategic plan: *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!), which, faced with stakeholder expectations and the accelerating pace of social, digital and environmental change, is committed to sustainable, responsible development.

This 2019-2023 plan includes three objectives in terms of the fight against climate change as well as social and governance objectives:

- 30% reduction in Crédit Mutuel Alliance Fédérale's "functional" carbon footprint (or office life) [1];
- 15% reduction in the carbon footprint of its corporate customer portfolios and its asset management and insurance investment portfolios;
- increase by 30% the financing for projects with high climate impacts (renewable energies), again by 2023 (ENV56);
- 100% of employees trained in transformation [2];
- gender equality in management and governance positions.

(1) Consolidated France Scope under the GHG protocol methodology – ISO 14064 scope 1, 2 & 3 concerning energy consumption, refrigerants, fixed assets related to the motor fleet and business travel. The objectives are calculated based on the profit (loss) for the 2018 fiscal year, which is the reference year.

(2) Scope of Cap Compétences including the Credit Mutuel Alliance Fédérale Federations, the 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.

The new 2024-2027 strategic plan TOGETHERNESS PERFORMANCE SOLIDARITY, published in December 2023, reflects Crédit Mutuel Alliance Fédérale's determination to lead the environmental and societal revolution together:

- more than 75% of employees and elected representatives proud of their company;
- 50% of women managers;
- 50% women in the group's governance;
- 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;
- 100% of employees and elected representatives committed to the ecological transformation.

Implementation of commitments at CIC

The correspondents in each of the group's entities work in collaboration with the SMR department.

Each entity adapts the commitments to its business lines and deploys them throughout its region.

In 2022, the deployment of a system for integrating ESG criteria in the granting and application of sectoral policies, to companies with revenue of more than €100 million, in CIC bank networks, led to the creation of a CSR Committee in each bank. This committee is a collegial body whose composition corresponds to the organization of each entity, but which includes at least one representative of the lending department. Its mission is to issue advisory opinions on projects that are likely to raise social, environmental or governance issues when granting financing or during the annual renewal of the bank's projects. Referral to this committee may be initiated at the request of the major companies/GME agency, the lending department, the lending commission or the risk department – SMR division. It is required when the elements entered in the application grids require mandatory consultation of the committee.

To support this deployment, training courses have been set up for corporate customer relationship managers, specifically on the integration of ESG criteria in lending. In addition, the School for Directors also includes a two-hour training module in its curriculum 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.

An e-learning module has been included in the mandatory training course for employees to be carried out 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.

CSR initiatives and events are also carried out locally. At CIC Ouest, for example, 193 employees are responsible for promoting CSR throughout the bank. Their actions have been cataloged and recommendations have been defined.

For its part, the Banque de Luxembourg is a member of the IMS Luxembourg business network, the national branch of Europe's CSR organization, which works in developing CSR policies in Luxembourg. In particular, it participates in the ABBL (Association of Banks and Bankers, Luxembourg) CSR working group. The bank's business lines, human resources, facility, communications, compliance, risk management as well as the subsidiary Banque de Luxembourg Investments all meet in a CSR committee. In 2023, the remit and form of this committee were reviewed. Now a management committee, it is responsible for proposing CSR strategy, setting objectives and monitoring the implementation of the CSR roadmap. It also guarantees the consistency, objectivity and transparency of the bank's CSR-related decisions and actions. The bank also obtained B-Corp (Benefit Corporation) certification in April 2023. This international certification, which is awarded to commercial companies meeting environmental, societal and governance criteria, is established with a view to having a beneficial effect on the world.

On the intranet, a dedicated section entitled "Being an eco-citizen at work!" encourages employees to take simple, effective steps to protect the environment and help reduce the energy footprint. This universe also disseminates the initiatives carried out within the group. At the same time and in order to strengthen communication, a "Being an eco-citizen at work" community was created on the company's social network to make exchanges around the SMR approach more dynamic. Each employee can post their ideas, communicate best practices, or publish an article. This fun tool facilitates interactions and disseminates the group's communication and events more widely.

Objectives of the revised 2019-2023 strategic plan[1]	Achievement rate at CIC level
100% of employees trained in transformation[2]	98.6%
Gender equality in management and governance positions[3]	Managers: 49%
	Management Committee: 31%
Reduction of the group's carbon footprint[4]	-34%
30% increase in financing for projects with a high climate impact (renewable energies)[5]	+79.6%
15% reduction in the carbon footprint of the customer portfolio	Percentage change in the carbon footprint of CIC's corporate portfolio: not available between 2018 and 2023 -8.2% between 2022 and 2023. Reduction in the carbon footprint of Crédit Mutuel Alliance Fédérale corporate portfolio including CIC's corporate portfolio: -57.6% between 2018 and 2023.

(1) *The objectives are calculated based on the profit (loss) for the 2018 fiscal year, which is the reference year.*

(2) *Scope of Cap Compétences including the Crédit Mutuel Alliance Fédérale Federations, the 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) *Permanent contracts present Single status as of December 31, 2023.*

(4) *Consolidated scope France – items concerned: energy, refrigerant gases, motor fleet, work placements.*

(5) *"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 CM CIC Project Financing portfolio.*

Non-financial information ratings

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.

Rating agencies	Scale	Ratings* as of March 14, 2024
MOODY'S ESG Solutions	0 to 100	64
ISS ESG	D- to A +	C
MSCI	AAA to CCC	AA
SUSTAINALYTICS**	0 to 100	19.7

* *BFCM ratings taking into account the entire Crédit Mutuel Alliance Fédérale scope, including CIC.*

** *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 FOR THE GROUP (R/O)

The primary non-financial risks/opportunities identified result from the challenges confronted by the group and from relationships that it is developing with its stakeholders (ENV02):

- shareholders and executives: involvement of CIC and its subsidiaries in the process of corporate social responsibility described below (validation of sectoral policies by the Boards of Directors, etc.);
- employees and employee representative bodies: see chapter 3.6 - Social ambition - A responsible management of human resources;
- private customers, professionals, associations, companies: this concerns communication at the time a service or product is designed, signing of contracts, response to the bidding process, response to questionnaires (see chapter 3.4 - Customer ambition - A responsible economic player);
- suppliers, sub-contractors, firms providing jobs for the unemployed or appropriate companies: relationships are established at the level of the group's business line centers for certain supplier relationships (logistics, IT) and at the level of each entity for other suppliers. These are described in the vigilance plan (chapter 3.9);
- associations, foundations, partners, universities, civil society: see chapter 3.5 - Societal ambition - A player in social and cultural life;
- professional organizations in the field of activity of each of CIC's entities: regular contacts as part of country-wide animation;
- public authorities, supervisory and regulatory authorities, rating agencies: transmission of information.

Relations with non-financial ratings agencies and NGOs when controversies arise are handled at the level of Crédit Mutuel Alliance Fédérale and CNCM.

A mapping of the group's environmental, social and governance risks

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 the MEDEF, is based on the collaborative work of the risk and SMR teams. It consisted in identifying, according to experts, 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, including those of CIC. 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. Accordingly, climate risks are deliberately included in the mapping of significant ESG risks, upstream of the work on integrating climate risks into the group's general risk mapping, in line with the work carried out at CNCM.

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).

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.) towards the bank, 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 the various risks by taking preventive measures, and ensures proper functioning of a crisis unit when a proven risk to reputation arises.

The summary of risks presented covers all the risks identified other than governance risks or elements specific to Crédit Mutuel Alliance Fédérale.

The performance indicators indicated sometimes cover a wider scope than that of CIC. These are indicators from business line centers such as CCS and Euro Information, which work for CIC but also for other Crédit Mutuel Alliance Fédérale entities.

Non-financial information category	Significant non-financial risks	Prevention measures
GOVERNANCE		
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 (% of payroll expense) ■ Specific training related to insurance products ■ Support for all employees in the digital transformation
Demotivation of employees (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 (see focus on climate risks below)	■ Transition risk ■ Physical risk	■ Exploratory approach to climate risk assessment: Implementation of limits by country including climate and ESG risks

(1) The indicator includes employees who have been certified for the digital passport, as well as those who have undergone training for the digital passport and network employees who have passed the relationship visa. Scope of Cap Compétences including the Credit Mutuel Alliance Fédérale Federations, the 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.

(2) TP: Transaction Processing – Major applications used by the banking network and customers.

Non-financial information	Performance indicators
GOVERNANCE	
■ Complaints monitoring indicator *(sections 3.4.2.3.3 – 3.4.2.3.5)*	■ Complaints monitoring indicator: 12,728 claims recorded in 2023 (CIC banks and Banque Transatlantique).
SOCIAL	
Training indicators *(section 3.7.2.2 - SOC46, SOC47, SOC48, SOC50)* Percentage of employees who have validated training courses for insurance products *(section 3.7.2.2)* Transformation training rate *(section 3.7.2.SOC122)*	■ Training indicators (scope indicated in methodological note 3.10) SOC46: total payroll expense invested in training: €66.5 million (€56 million in 2022); SOC47: percentage of payroll expense dedicated to training: 6.6%; SOC50: number of hours devoted to training: 788,671, *i.e.* nearly six days per employee trained all contracts. ■ Percentage of employees from CIC entities registered by the Cap Compétence training organization who have validated training on insurance products. 98% of employees enrolled in insurance training completed it in 2022. ■ Percentage of employees trained in transformation[1]: 98.6% of employees of CIC entities located in France registered by Cap Compétence have benefited from transformation support, thanks to the digital passport and/or relationship visa systems since 2019.
■ Rate of job rotation *(section 3.7.3.2.1-SOC27)* ■ Absenteeism indicator: Change in the number of days of absence *(sections 3.7.3.1.1 and 3.7.5 - SOC124; SOC38; SOC39; SOC40)*	■ Job turnover rate (scope indicated in methodological note 3.10): 6.5% including internal mobility. Excluding internal mobility, the rate amounted to 4.6%. ■ Absenteeism indicator – Change in the number of days of absence (scope indicated in methodological note 3.10) 206,082 days in 2023 compared to 232,075 days in 2022, *i.e.* a decrease of 11.2% (-2 days per employee on permanent contracts – number of days of absence compared to the number of employees on permanent contracts).
SOCIETAL	
Number of supplier charters signed *(section 3.9.3.5)*	Number of supplier charters signed: nearly 4,800 charters signed by CCS and Euro-Information suppliers in 2023.
Percentage of total claims for the year related to external fraud or internal fraud *(section 3.4.3.1)*	Percentage of total claims for the year related to external fraud or internal fraud: internal and external fraud amounted to €15.5 million in 2023 and represented 42.9% of total claims.
■ Availability rate of primary TP applications *(section 3.9.3.3)* ■ Impact of claims > €1,000 *(section 3.9.3.3)* ■ Rate of training in GDPR *(section 3.9.3.3)*	■ Availability rate of primary TP applications[2]: 99.82% (scope managed by Euro-Information) ■ Impact of claims > €1,000: 543 claims (324 in 2022) (scope managed by Euro-Information). ■ Rate of training in GDPR: in 2023, 67% of targeted employees have completed an e-learning course on the GDPR and the CNIL.
FIGHT AGAINST CORRUPTION	
■ Percentage of employees trained in the fight against corruption *(section 3.9.3.3)*	■ Percentage of CIC entity employees trained in the fight against corruption: 74% of registered employees completed the training in 2023.
HUMAN RIGHTS	
■ Number of alerts from the “Option to report” tool *(section 3.6.3.1)*	■ Number of alerts from the “Option to report” monitoring tool: Tracked but unpublished data.
ENVIRONMENTAL	
■ 3 SMR indicators included in the 2019-2023 *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) strategic plan shown below *(see section 3.2.3)*	
■ GHG emissions: 5-year goal of 30% reduction in the group's carbon footprint *(section 3.7.1.1)*	■ Percentage change in the group's office life scope carbon footprint in France concerning energy, refrigerant gas leaks, business travel and vehicle fleets: -34% between 2018 and 2022 for CIC entities.
■ Growth rate of renewable energy project financing commitments[3] *(section 3.7.4.3)*	■ Percentage change in renewable energy project financing commitments: +80% 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 *(section 3.7.3.1)*	■ Percentage change in the carbon footprint of CIC's corporate portfolio: not available. Reduction in the carbon footprint of Crédit Mutuel Alliance Fédérale's portfolio including CIC's corporate portfolio: -58% between 2018 and 2023
■ Monitoring of exposures eligible for sectoral policies ■ Quarterly monitoring of limits by country	

(3) “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 CM CIC Project Financing portfolio.

3

Integration of climate risks

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 sentiment and preferences.

Since 2021, climate risks have been 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 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.

Focus on climate risks included in Crédit Mutuel Alliance Fédérale and CIC'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 including that of CIC.

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 and CIC'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	Substantial	■ 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	■ 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	Low	■ 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 MEASURE
			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				■ 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				■ 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				■ Group ESG policy

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	
■ 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**				■ 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 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 tool (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.

BIODIVERSITY MATERIALITY MATRIX

PHYSICAL RISK

RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME		
	SHORT TERM < 3 YEARS	MEDIUM TERM 3 - 10 YEARS	LONG TERM > 10 YEARS
CREDIT RISKS			
OPERATIONAL RISKS			
STRATEGIC AND BUSINESS RISKS			
CONGLOMERATE INSURANCE RISKS			

TRANSITION RISK

RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME		
	SHORT TERM < 3 YEARS	MEDIUM TERM 3 - 10 YEARS	LONG TERM > 10 YEARS
CREDIT RISKS			
OPERATIONAL RISKS			
STRATEGIC AND BUSINESS RISKS			
CONGLOMERATE INSURANCE RISKS			

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

The purpose of this exercise is to illustrate the relationship between the commitments of the benefit corporation, the CSR policy, the objectives of the strategic plan, and their performance indicators, which contribute to strengthening the control of significant ESG risks identified within the risk mapping.

This work on consistency also ensures better understanding and clarity of the actions of the benefit corporation at the heart of CIC's business development plan.

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE CSR APPROACH	SIGNIFICANT ESG RISKS	AMBITIONS – OBJECTIVES	PERFORMANCE INDICATORS
Name of the mission	Identification of the CSR commitment in connection with the mission	Identification of ESG risks in connection with the benefit corporation mission	Coordination of joint actions **Mission**/CSR/ESG risks	Measurement of indicators **Benefit corporation mission**/ CSR 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 subsidiary of a cooperative and mutualist organization, we support our customers in their best interests.**	CUSTOMER AMBITION Listening to customers		■ **Guarantee to each customer a dedicated, non-commissioned advisor (Commitment 1 – 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

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE CSR 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% of work-study students from priority neighborhoods and rural areas (Commitment 3 – 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 directors in the fight against discrimination (Commitment 2 – 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 4 – 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[1]**
	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 hours dedicated to training ■ % of employees having followed certified insurance training courses ■ % of employees having followed the "digital passport" and/or the "relational visa" training course → Target 100% of employees
	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
	SOCIAL AMBITION Promote social dialog		■ Maintain an ongoing dialog with trade unions	■ Number of group agreements signed during the year

(1) *Average gap strictly less than 3% at the end of 2020 in both directions, for women and for men.*

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE CSR APPROACH	SIGNIFICANT ESG RISKS	AMBITIONS – OBJECTIVES	PERFORMANCE INDICATORS
MISSION 3: **Respectful of everyone's privacy, we place technology and innovation at the service of people.**	CUSTOMER AMBITION Risk management	■ Risk of non-respect of General Regulation on the protection of customer data	■ **Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France (Commitment 5 – 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**
	CUSTOMER AMBITION Listening to customers		■ **Invest productivity gains from artificial intelligence in employment and development (Commitment 6 – 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 branches (Commitment 7 – 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 8 – 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 9 - mission 4)**	■ **% of equity invested in innovative or growing SMEs and mid-sized companies** → **Objective: 5% of 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 CSR APPROACH	SIGNIFICANT ESG RISKS	AMBITIONS – OBJECTIVES	PERFORMANCE INDICATORS
MISSION 5: **As a responsible company, we actively work for a fairer and more sustainable society.**	**ENVIRONMENTAL AMBITION** Reduce CIC's environmental impact	■ Regulatory risk ■ Reputation risk	■ **Reduce the group's carbon emissions by 20% (Commitment 10 – 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	■ **Reduce the carbon footprint of our investment portfolios[1] by 12% by the end of 2022[2] (Commitment 10 – mission 5)**	■ **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 11 - 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
MISSION 5: **As a responsible company, we actively work for a fairer and more sustainable society.**	**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
	CUSTOMER AMBITION Banking inclusiveness		■ Supporting customers in vulnerable situation	■ 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[3] (Commitment 12 – 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 13 – mission 5)**	■ **Number of customers in financial difficulty benefiting from the service**

(1) France scopes 1,2,3 energy consumption, refrigerant gas leaks, motor fleet and business travel.

(2) Reduction compared to 2018.

(3) 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.

ENSEMBLE, ÉCOUTER ET AGIR (LISTENING AND ACTING TOGETHER): 5 MISSIONS	COMMITMENTS OF THE CSR APPROACH	SIGNIFICANT ESG RISKS	AMBITIONS – OBJECTIVES	PERFORMANCE INDICATORS
MISSION 5: **As a responsible company, we actively work for a fairer and more sustainable society.**	CUSTOMER 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 ■ Risk of non-respect of the vigilance plan (controversies over the non-respect of human rights)	■ Respect human rights	■ Number of alerts
	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

3.4 CUSTOMER AMBITION – A RESPONSIBLE ECONOMIC AGENT

3.4.1 Listening to our customers (SOT73)

CIC is keen to establish a long-term relationship with its customers and makes every effort to ensure that its organization and offerings meet their expectations.

3.4.1.1 An agile organization

An effective and proactive approach

The decentralized organization of the banking network allows optimal response time to customer requests. In 2023, at the consumer network level, 94.4% of decisions to grant loans were made locally and independently by branches in the retail network.

Customer account managers have a central role in physical, telephone or digital relations with customers. Facilitating tools are made available to optimize contacts: e-mail analyzer, documentary searches on the intranet, through dialog in natural language. Work to identify applications of artificial intelligence in the various business lines is carried out with employees in the field to better support customers.

The "*Mon Allié Digital*" intranet program facilitates the adoption by all employees of innovations in digital tools and services. It enables them to be more proactive and relevant in their responses to customers. A simplification approach aims to improve operational processes and thus provide more time for customer relations. Solutions have been implemented such as: improving the fluidity of the processing of certain loans, optimizing the management of bank cards or the process of entering into relationships with new customers, better accessibility to information needed by advisors to organize their working day. To facilitate e-mail processing, a new interface was deployed throughout the network. Developed by the IT teams in collaboration with users in the field, this interface meets the needs of advisors, making their day-to-day tasks much easier to manage.

Omnichannel proximity in relationships

CIC is adapting to new lifestyles by offering customers a fluid and ongoing relationship through the means of communication that they prefer in their relations with the bank. Video appointments between advisors and their customers are accessible directly from the customer's mobile app. This strengthens proximity and presence in the field, alongside all customers. In 2023, over 3.1 million appointments with customers of the banking network were conducted in branches, by telephone, by video conference or by email.

An increasing number of digital transactions can now be carried out online and on mobile apps. The objective is to make 100% of customer functionalities accessible on the website and mobile app for all markets. A virtual assistant on the website is available to customers to answer their questions.

Digital workshops were initiated in branches to introduce the mobile app and its services to customers with the least digital experience.

The use of remote electronic signatures is growing (the percentage of contracts signed electronically in CIC banks, when possible, is 71% in 2023) and applies to many types of contracts in the fields of lending, insurance, electronic banking, savings, credit, mobile telephony, day-to-day banking, remote home security systems.

Innovative and secure service offerings that simplify customers' lives

The CIC LAB, a platform for exchanges between the bank and its customers, but also between the customers themselves on given themes, makes it possible to gather the opinions of customers, to co-innovate with them, to understand their needs, to co-construct offers, products and services and to anticipate future needs. The LAB is private and accessible upon invitation. In 2022, customers were able to express themselves *via* the LAB on some 20 topics.

The offers proposed are based on the technological advance of the group's IT infrastructures. For the development, security and protection of customer data, these are based solely in France and are internal. In 2023, a new CIC Pay mobile payment application was launched to facilitate contactless payments and instant transfers using a smartphone.

Measuring quality

As part of the quality approach, a survey is systematically conducted among customers in the consumer market and private banking after contact with an advisor. It aims to measure customer satisfaction, collect their feedback and identify the priorities to be implemented to improve the customer experience. A Net Promoter Score – NPS is then calculated. Branch managers are informed of dissatisfied customers (NPS less than six out of 10). They have the customer's verbatim assessment and are invited to contact them. Action plans have also been put in place. Moreover, at branches, a dashboard – Involvement and Mobilization for Quality Action Plan (IMPAQ) – makes it possible to consult various quantitative and qualitative indicators related to customer relations and to help identify malfunctions or alerts in delicate situations.

In 2023, the support system for supporting new individual customers was reviewed. It now includes a survey four months after the start of the relationship. This ongoing survey ensures that customers do not encounter any difficulties during the first few months of their relationship with the bank.

In addition, in 2022, a survey was conducted among individual and professional customers to gather their satisfaction at all points of contact (branch/local bank, online banking, telephone platform, etc.). The customer relationship was considered excellent with a very good level of recommendation. The results were broken down by bank.

This work also makes it possible to adapt responses to identified customer expectations. In parallel, targeted surveys and studies are also conducted, notably *via* a collaborative platform. In 2023, a survey was carried out on the issue of energy renovation.

CIC also participates in external satisfaction surveys.

At the *Trophées Qualité de la Banque 2024* [1], in the network bank category, CIC once again stood out with six awards and the highest score for its mobile application.

The subsidiaries that support the network are also committed to a quality approach, such as Crédit Mutuel Leasing with the Service Attitude. Other activities benefit from ISO 9001 certification such as Crédit Mutuel Épargne Salariale or AFEDIM payment methods [2], and the Euro Télé Services customer relations center of the AFAQ ISO 18295-1 certification. In addition, CCS monitors the quality of its services through a monthly dashboard made available to its members and sets annual improvement objectives by business line.

Processing of claims

A relationship based on clarity is the guarantee of customer trust and loyalty. CIC has always been committed to this transparency, by providing clear information on how its products and services work. Despite the constant concern to provide the best quality of service, difficulties may arise. Customers have the possibility to file claims and, if necessary, recourse is possible. Claims are monitored as part of the vigilance plan (see section 3.9.3.3). The quality of complaints handling and response times are subject to satisfaction surveys.

3.4.1.2 Financing offers and actions to develop entrepreneurship (SOT09) in all regions

CIC has an essential role in financing the economic fabric of the regions and is fully mobilized to support entrepreneurs in a difficult economic context (lack of labor, commodity shortages, soaring prices).

Outstanding investment loans in the network increased by more than 5% between 2022 and 2023.

Part of this financing contributed to the two social bonds issued in 2022 and 2023 by Banque Fédérative du Crédit Mutuel (BFCM) for €750 million each.

Solutions are proposed to provide project owners with a concrete response to their need for advice, services and banking products, such as the CréaCIC offer.

CIC also encourages entrepreneurship among young people. It offers to support students under the age of 29 who have a business project, from the reflection period and with the initial procedures, with the Start Étudiants Entrepreneurs CIC loan with 0% rate.

CIC is a major partner of WorldSkills France for the *Olympiades des métiers* (professions Olympics), which brings together, every two years, young talents in more than fifty technical, crafts and service professions. CIC also supports the *Union des Auto-Entrepreneurs et des Travailleurs Indépendants* – Union of Self-Employed Entrepreneurs and Independent Workers.

3.4.1.2.1 Fostering innovation

In order to preserve the French Tech ecosystem and in line with the strategic orientations of France 2030, CIC has implemented specific measures to support emerging players who are responding to major societal challenges.

Support for the direct development of start-ups takes several forms:

- a specific Start Innovation sector dedicated to innovative companies, with account managers specialized in banking networks and specific financing offers. A total of 30 corporate customer relationship managers in the different regions are dedicated full-time to this sector;
- specific services to respond to the various problems encountered by these start-ups, such as assistance with reindustrialization or international development;
- a community of business leaders, business experts and partners such as BPI, the Carnot Institutes, MoovJee, Réseau Entreprendre;
- "CIC *Place de l'innovation*" networking venues and events dedicated to innovation;
- a Born to Succeed fast-track program, promoting business line collaboration with start-ups;
- a call for projects rewarding start-ups with an impact on society. In 2023, the 4th edition of the CIC Start Innovation Business Awards counted 1,158 entries nationwide, rewarded 18 regional winners and three winners at a national final at Station F, for a total financial award of €200,000.

(1) 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.

(2) Carried out by CCS, the group's business line center involved in banking production, logistics and network support.

Loans granted in CIC network to start-ups and innovative companies totaled €645 million at December 31, 2023.

In addition, Crédit Mutuel Innovation, a subsidiary of Crédit Mutuel Equity, invests – and often reinvests – its own capital to support innovative companies and structure their development over a flexible timeframe adapted to the needs of each project and each entrepreneur. This year, Crédit Mutuel Innovation continues to strengthen its support for innovation, particularly for start-ups in the digital sector, the deeptech world and health. At the end of 2023, the outstanding amount invested by Crédit Mutuel Innovation represented €238.7 million in 44 innovative companies in all regions. Crédit Mutuel Equity doubled the resources allocated to its subsidiary in order to continue fostering innovation.

For its part, Crédit Mutuel Asset Management offers the CM-AM Global Innovation fund, which invests in companies whose innovation is at the heart of their model.

CIC also seeks to promote gateways among entrepreneurs, investors, institutional investors and large groups, through local partnerships, for example:

Beneficiaries	Activity	Partners
Atlanpole	Encourage the creation and development of innovative companies with high growth potential	CIC Ouest
Minalogic Partenaires	Global competitiveness hub for digital technologies in Auvergne-Rhône-Alpes	CIC Lyonnaise de Banque
GRAND E-NOV	Start-up accelerator in the Grand Est region	CIC Est
French Tech Bordeaux, French Tech Méditerranée and French Tech Toulouse	Support the innovations of local communities that develop and step up French Tech	CIC Sud Ouest

It also participates in major innovation events.

3.4.1.2.2 Supporting companies in their digital and industrial transformation and their sustainable development strategy

Faced with the many economic, societal and regulatory challenges, companies are undertaking or accelerating their digital, industrial and energy transformation and are strengthening their CSR approach.

Transition loans enable companies of all sizes (VSEs, SMEs and GMEs) and from any sector to finance investments supporting their transformation. They have the particularity of offering a subsidized rate and the possibility of a deferred amortization of up to two years.

The Digital Transition Loan finances tangible and intangible investments related to the digitization of the activities of professionals and companies. The objective is to upgrade the tools and/or the transformation of the business model of each company through digital technology. In addition, CIC offers its customers a range of digital tools adapted to their needs. CIC e-factures by Épithète, a complete online invoicing and payment service, is aimed at all economic players and professionals at large (associations, self-employed entrepreneurs, VSEs, SMEs/SMIs, large companies). It allows them to easily collaborate with their customers and suppliers, even if they are not themselves subscribers to the service and to exchange orders, quotes, invoices, payments, etc.

The health crisis having revealed the industrial and technological dependence of the French economy, the State has launched a recovery plan called France Relance to move towards a less dependent economy that controls its energy and environmental footprint. As a response, the Industrial Transition Loan aims to finance companies wishing to invest in tangible or intangible assets in the spirit of this recovery plan. Its total outstandings for CIC banks amounted to €608 million at December 31, 2023.

For companies and professionals wishing to make investments related to their CSR approach, CIC offers the CSR Transition Loan, after submitting to the bank a CSR audit justifying the investments to be financed. It consists of:

- at the social level, improving working conditions, training teams and providing them with equipment;
- at the commercial level, creating new products that use less energy;
- investing in exclusively hybrid or electric vehicles;
- finding solutions for recycling waste, reducing paper consumption, and implementing processes to comply with regulations, solutions for reducing greenhouse gas emissions, setting up analysis tools to measure the impact of actions on the environment, etc.

CIC also encourages companies to strengthen their sustainability approach by granting impact loans (sustainability linked loans) whose financial characteristics are indexed to the achievement or non-achievement of non-financial objectives. These ESG objectives are defined in advance and are audited annually.

At the network level, an impact transition loan was launched at the end of 2022.

At the large corporates level, outstanding sustainability linked loans amounted to €2.5 billion.

CIC also supports its customers in their energy transition, notably through the Energy Transition Loan (see section 3.7.4.2).

For its part, Crédit Mutuel Asset Management launched the CM-AM *Objectif Emploi* fund in 2022. The purpose of this fund is to support French companies that create high-quality jobs in France. It targets companies that are committed to job creation, backed by a real social and responsible policy, in order to allow more inclusion, equity, safety and internal training.

3.4.1.2.3 A responsible and active stakeholder for development of SMEs over the long term

Crédit Mutuel Equity and its subsidiaries provide long-term capital support to companies at all stages of their development – from creation to transmission – by giving them the resources and time necessary to implement their transformation projects. By investing its shareholders' equity, Crédit Mutuel Equity finances companies' projects according to the time horizons adapted to their development strategy. The private equity business line is complemented by its M&A advisory subsidiary, which has a nationwide presence in France, to cover the full range of equity issues (industrial divestitures, financial transactions, corporate acquisitions, spin-offs, mergers and fundraising).

At December 31, 2023, capital invested through shareholders' equity amounted to €3.8 billion in 333 investments. €698.3 million were invested in 2023. The average capital holding period ranges between eight and nine years.

Crédit Mutuel Equity is a signatory of the charter of the France Invest charter of commitments of investors for growth and is thus committed, beyond the rules already set in the profession's code of conduct and in the context of the regulatory framework defined by the AMF in terms of economic, social and human, environmental and good governance issues.

To meet the equity and quasi-equity needs under €1 million of SMEs in their growth or transfer projects, Crédit Mutuel Equity has developed a dedicated offer.

The transfer and takeover of businesses are major economic challenges, both in terms of growth and employment and in terms of the country's appeal. CIC offers a support service to its customers who wish to transfer their company(ies) at all stages of the project.

In the case of the takeover of a family business, CIC has set up and is a partner in training courses for company directors to facilitate the handover between the different generations, with a particular emphasis on the exchange of good practices in the transfer of the family business.

In Nantes, CIC Ouest and Crédit Mutuel Equity participate in Audencia's Family Entrepreneurship and Society chair with a specific continuing education program for young people from families working in the family business entitled Future Family Business Leader Certificate.

Events are regularly organized to raise awareness among entrepreneurs about strategic issues for their business.

In order to facilitate the preparation of family transmission phases and to make the next generation aware of the patrimonial issues, Banque de Luxembourg offers support programs, for both the Next Generation, *via* its summer academy, and for young people working in the company, *via* the Family Business Junior Executive Program.

In addition, to ensure the long-term success of companies which often rely on the know-how and expertise of their managers, partners, employees, CIC offers a Company Protection insurance range. This offer enables to compensate for the financial losses linked to the disappearance or temporary absence of a "key person" and for partners to not lose control of the company in the event of the death of one of them, and provides better coverage of occupational risks.

Lastly, the CM-AM *Entrepreneurs France* fund was awarded *Relance* certification. This certification allows savers and professional investors to identify undertakings for collective investment (UCIs) that provide a response to the financing needs of French companies, whether listed or not, and thus to mobilize savings with a view to contributing to economic recovery. It recognizes funds that undertake to rapidly mobilize new resources to support the equity and quasi-equity of listed or non-listed French companies (SMEs and ISEs) in the context of the health crisis.

3.4.1.3 A responsible product and service offering

3.4.1.3.1 Promotion of Socially Responsible Investment (SOT28)

CIC, through the sustainable investment strategy of the group's asset management companies, offers everyone the opportunity to invest responsibly.

These companies have been involved for many years:

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
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 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
OID	**Sustainable Real Estate Observatory (OID)** Independent forum for the real estate sector on sustainable development	2012	La Française
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
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
Science Based Targets	**Science Based Target initiative (SBTi)** Supporting companies in reducing greenhouse gas (GHG) emissions by setting a "science-based" GHG reduction target and providing technical support	2019	La Française
30% Club	**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
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
Finance for Biodiversity Pledge	**Finance for Biodiversity Pledge** Commit to integrating biodiversity into asset management	2021 2022	Crédit Mutuel Asset Management La Française
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** Developing impact investing	2022	Crédit Mutuel Asset Management

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.

Crédit Mutuel Asset Management's SRI funds aim to select the most virtuous companies in terms of ESG criteria, regardless of sector, in order to reduce risk in these areas, encourage good issuer practices and achieve a high average ESG rating. Crédit Mutuel Asset Management has thus committed to an SRI fund certification strategy (more than 50 funds in the range certified at the end of 2023). In total, the outstandings of SRI-labeled funds thus represented nearly €25.6 billion at the end of December 2023, *i.e.* 34% of Crédit Mutuel Asset Management's outstandings.

For its part, La Française Group offers a range of sustainable solutions, including some 15 SRI-labeled funds, in response to growing demand from individual and institutional investors and to its objectives as a committed player. SRI or FNG-labeled funds accounted for €8.4 billion in outstandings at December 31, 2023 (21% of total outstandings, *versus* 9% at end-2022).

Finally, 39% of Banque de Luxembourg Investments' assets under management [1] are labeled, which is a gratifying recognition of the efforts made in developing and implementing an ESG approach.

Responsible funds are also offered under life insurance, some of which benefit from labels. Turnkey solutions such as the "Environment Pack 50" enable policyholders to invest their savings 50% in euro funds and 50% in unit-linked products in the SRI-labeled fund CM-AM Sustainable Planet. 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.

Awareness-raising actions among employees and savers on responsible and sustainable finance are regularly carried out.

3.4.1.3.2 Promoting socially responsible savings

For customers wishing to give meaning to their savings, CIC offers several possibilities. CIC thus solicits the savings of its customers holding a Livret de Développement Durable et Solidaire (LDDS) passbook account to finance the following associations: *Famille Rurale, Habitat et Humanisme, Emmaüs Connect, 60 000 Rebonds, France Active, Nos Quartiers ont du Talent (NQT), ATD Quart Monde, La Croix-Rouge Française* (The French Red Cross), *Les Restos du Cœur, ADIE, Médecins Sans Frontières* (Doctors without Borders).

CIC also offers the livret d'épargne pour les autres (Saving for Others Passbook Account), which is Finansol certified. Holders of this passbook account retain full control over the availability and use of their savings, while donating all or part of the interest (50, 75 or 100% of the annual interest) to one or more partner associations working in the field of humanitarian emergencies (*Action contre la faim*, *Secours catholique, Médecins du monde)*, children (*Association Petits Princes* and UNICEF), social housing (*Fondation Abbé Pierre, Habitat et Humanisme*) or medical research (Curie Institute). The Card for Others (*Carte pour les autres*) makes it possible to pay donations to these same partners in the context of purchases made with said card.

CIC customers can also subscribe to the Finansol-labeled CM-AM *Partage* sharing fund, which supports employment. Half of the income from this fund is donated to the France Active association. This association supports and finances solidarity-based companies that generate or consolidate employment, as well as people with employment difficulties who create their own business.

Among the SRI range dedicated to Active Social employee savings labeled by the Inter-Union Employee Savings Plan Committee (CIES), several FCPEs contribute to the development and support of social and solidarity economy structures such as A*DIE, Autonomie & Solidarité, La Croix-Rouge Française* (The French Red Cross), *Entreprendre pour humaniser la dépendance, invESS Île-de-France, Initiative France, SIEL Bleu, France Active Investissement*, etc.

In savings & retirement insurance, Assurances du Crédit Mutuel applies an ESG policy in the financial management of the euro fund. More than 80 unit-linked funds promoting environmental and social characteristics or integrating a sustainable investment objective, enabling them to be classified in Article 8 or 9 according to the new European Disclosure regulation, are offered to savings & retirement insurance policyholders. 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.

(1) Funds managed by BLI.

3.4.1.3.3 Services to support associations (SOT40)

CIC has 120,000 non-profit organizations (NPOs) customers in the banking network. At the end of 2023, CIC strengthened its support for local sports and cultural associations by exempting them from the general operating expenses (account maintenance, bank card, online banking, payment method insurance and, of course, a dedicated advisor) associated with managing their account (subject to certain eligibility conditions).

To support the projects of associations, CIC offers adapted solutions, notably:

- an easy-to-use and secure CIC Pay Asso payment solution, offered to local sports and cultural associations [1]. CIC Pay Asso allows subscribers, donors or participants in associative events to pay directly online for subscriptions, contributions, ticketing and donations, and to sell the association's items and services. The solution does not require the establishment of a website. The association just needs to send the link to the dedicated page;
- the Lyf Pro mobile application, a secure online solution for payments, money pots and donations. This application also allows associations to create and develop their relationship with their donors, using mobile phones as a new communication channel. The application also simplifies the organization and management of events thanks to a solution ranging from ticket sales to collection and payment;
- Multi Asso CIC insurance, which provides coverage for the activities, property and members of associations with guarantees adapted to their needs, including optional guarantees in terms of business continuity and legal protection. Civil liability cover is offered to the leaders of customer sports and cultural associations [2] in order to support them in their commitments and to protect them from the financial consequences of bodily injury, material and immaterial damages caused to third parties during a possible incident or accident;
- the Kiosque à Service (Service Kiosk) provides partner offers for managing the accounting of non-profit organizations and managing community life.

As previously indicated, some associations also benefit from the *Pour les autres* passbook account and savings card as well as from the sustainable development and solidarity passbook accounts that CIC offers to its customers.

In addition, CIC forges partnerships with associations in various areas (see Chapter 3.5).

3

3.4.2 Banking inclusion and supporting fragile populations (SOT39)

3.4.2.1 Banking services for fragile or vulnerable customers [3]

CIC ensures that it supports customers who are going through difficult life situations, whether structural, social or short-term. The banking mechanisms put in place are described in the vigilance plan in section 3.9.3.3. The *Service Accueil* offer is specially designed by CIC for customers in a financially vulnerable situation. It includes a number of products and services, which allow them to manage their accounts and pay for day-to-day expenses. It offers reduced fees for payment incidents.

At the end of 2023, the number of packages subscribed by customers identified as fragile at CIC level increased by 9.5% compared to 2022 (an increase of over 27% in three years).

3.4.2.2 Insurance and fragile populations

To ensure that all customers have access to home ownership without discrimination on the grounds of health, CIC has set up an innovative solidarity-based scheme, subject to certain conditions [4]:

Loyal customers no longer have to complete a health questionnaire for the acquisition of their main residence:

- as a result, they no longer have any medical formalities to carry out;
- and are no longer subject to additional premiums or exclusions related to their health condition.

For existing borrower insurance policyholders (corresponding to the required conditions) and who are subject to additional premiums or exclusions due to their state of health, they are eliminated since December 1, 2021. This scheme complements the one introduced in 2022 by the so-called Lemoine law, which abolishes the health questionnaire for loans of up to €200,000 per borrower for a total repayment scheduled before the policyholder's 60th birthday.

Moreover, in line with the objective of accessible health cover to all, policyholders of the complementary health policies of Assurances du Crédit Mutuel benefit, at no additional cost, from "100% health" provisions. This mechanism provides access to quality care, which is fully covered, in the field of optics, dentistry and audiology.

CIC also offers long-term care insurance that enables vulnerable people to finance their future needs in this area, as well as a funeral offer that provides a solution for financing the funerals of isolated people through an insurance mechanism and the guarantee that these will be organized according to their wishes.

3.4.2.3 Budget management assistance

CIC also strives to offer solutions that enable customers to manage their budget:

- the CIC Alerts service, which sends alert messages by email or SMS related to account(s) (balance, transactions, etc.), payment transactions and payment instruments (bank card outstandings, etc.). The receiving frequency, thresholds and manner of activation are parameters set by the customer;

(1) With a budget of less than €500,000.

(2) Up to a maximum annual coverage of €50,000.

(3) Protected adults and people faced with the death of a family member.

(4) This scheme is reserved for customers whose main income has been with CIC 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 subscription.

- the Budget Management functionality offered by mobile solutions and on cic.fr, gives a summary and graphic view of expenses and income and includes an aggregation function for accounts from secondary institutions internal or external to the group;
- credit simulators are available on all of the sites of CIC banks;
- after review, consolidation of several existing loans into a single loan may also be suggested, which can facilitate monitoring one single monthly payment and one single contact person;
- moreover, a sectoral policy on consumer credit sets the rules to respect with regard to marketing and business practices, approval and financing, collection, preventing and combating money laundering and financing terrorism, processing of personal data and processing claims;
- concerning credit in reserve, the rate set according to the purpose is fixed and it is possible to benefit from the best available rates for the part not yet made available. The amount and monthly payment are adapted to the customer's budget as long as it is not used. The loan can be repaid at any time free of charge;
- in the Assur Prêt offering, a borrower's insurance, calculation of the premium is determined at the time of membership so that the borrower knows in advance about all the annual premiums;
- lastly, contingency plans to maintain one's level of income in the event of a work stoppage are also offered.

Regional initiatives complement these measures, such as CIC Ouest's partnership with the CRESUS foundation to help vulnerable customers manage their budgets.

3.4.2.4 Responsible offers in terms of health and safety (SOT80)

In terms of health insurance, through its banking and insurance business, CIC offers health, protection, and personal long-term care insurance products for retail customers and non-salaried workers, and group insurance for companies.

Policyholders benefit from services that simplify procedures:

- the *Avance Santé* card, a contactless card facilitates access to healthcare by paying health costs without having to make an advance. Spouses and children over the age of fifteen, also covered by the contracts, can obtain this card at no additional cost. The functionalities are regularly enhanced and contactless payment is now possible up to €50. The Avance Santé card features a notch for the visually impaired. It is made of more than 85% recycled materials. Health insurance policyholders have the possibility of transmitting estimates and invoices from a mobile device by sending photos, which are not transmitted electronically, and thus obtaining a quick response as to what expenses are covered;
- the pure and simple elimination of medical formalities for its loyal customers, in terms of borrower insurance as part of the purchase of the main residence and the cancellation of any additional premiums or exclusions related to the state of health of these customers, subject to certain conditions (see section 3.4.2.2). In addition, when a membership request for borrower's insurance is subject to medical formalities: declaration of state of health, health questionnaire, medical analysis, medical report, etc., the medical e-approval device makes a secure site available to the borrower on the Internet where he or she can fill out medical paperwork. The customer may thus fill out the paperwork when and where it is most convenient and obtain a quick response;
- access to healthcare throughout the country, *via* online banking, to *Médecin Direct*, which offers an online medical advice service for policyholders, and access to psychological consultations with a psychological assistance service;
- the Senior Assistance CIC remote assistance service.

In terms of physical security, CIC offers a property and personal protection service that includes a remote-monitored carbon monoxide detector, gas poisoning being one of the main causes of accidental death by poisoning.

In addition, in terms of property & casualty insurance, property and motor claims can be quickly filed from a computer and/or smartphone 24 hours a day. In the event of severe bad weather in a geographic area, an appropriate support system is set up with CIC employees and experts, to provide all the necessary support in a personalized manner in declaring the claim, setting up compensation, and immediately releasing advance payments according to the degree of urgency.

In the field of IT security, significant resources are deployed to secure banking transactions and fight against cybercrime. Since the entry into force of the revised European Directive on payment services (PSD2), strong authentication solutions have been offered to customers. As part of the fight against fraud in relation to online card transactions, customers can, from their personal space (online or mobile application), suspend the use of payment cards for remote sales transactions for the period of their choice. In addition, customers can subscribe to a card with a dynamic cryptogram which replaces the three digits of the cryptogram on the back of the card with a small screen that generates a new code every hour.

3.4.3 Risk management for a stronger relationship of trust

CIC ensures the use of best practices in terms of transparency and fair practices in order to guarantee the principles of integrity and honesty in its relations with its stakeholders and in particular its customers.

In addition to the systems below, CIC implements a vigilance plan (see section 3.9) which aims to identify and prevent risks and serious violations in respect of human rights, the environment, health and safety resulting from its activities. Risk mitigation and prevention actions are presented, including those aimed at customers.

3.4.3.1 Actions undertaken to prevent corruption (SOT79)

Code of conduct

It is implemented by each Crédit Mutuel Alliance Fédérale entity, including those of CIC. 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 banking, portfolio management and financial analysis, exposing their policyholders to possible situations of conflict of interest or to possessing 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. It includes, in particular since 2018, a chapter dedicated to the fight against corruption, which constitutes the code of conduct in this area.

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, the amount of claims for CIC entities reached €15.5 million in 2023 (SOT101).

The anti-corruption system

CIC 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 (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;
- 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, technicians or managers, to all senior directors and to external staff seconded to the company.

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. Compliance has its own independence and the necessary means to fulfill its mission impartially.

Fight against money laundering and terrorism financing

CIC 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 includes a set of procedures and tools implemented by employees trained to detect suspect operations. It is itself subject to thorough internal controls and regular evaluation on the part of supervisory authorities.

CIC 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, and 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.

CIC 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.

The fight against tax evasion (SOT91)

CIC 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".

CIC also implements the American regulation known as FATCA (Foreign Account Tax Compliance Act) under the terms of the intergovernmental agreement (IGA) signed by the United States with other countries, including the IGA between France and the United States signed on November 14, 2013 to improve compliance with tax obligations at the international level and to implement the law on compliance with tax obligations concerning foreign accounts.

Moreover, CIC has several sectoral policies, including a policy for private banking customers 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;
- 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.

CIC 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

CIC 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

CIC 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).

3.4.3.2 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.

Thus, CIC 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 do not seem obvious, but also when conditions of transparency or trust are not (or no longer) present.

3.4.3.3 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 lists of countries at Crédit Mutuel Alliance Fédérale 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 (PEP) residing in a country on the red list are subject to a strict acceptance procedure by exception.

It is forbidden to maintain direct or indirect relations with offshore domiciliation companies, with consultancy firms offering offshore structures, or to advise them to customers.

3.4.3.4 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 "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 the CNCM is responsible for registering entities that meet the required criteria in the HATVP digital directory as well as sending the respective annual reports.

3.4.4 Indicators

3

BANKING NETWORKS, BANQUE TRANSATLANTIQUE, BANQUE DE LUXEMBOURG AND BANQUE DE LUXEMBOURG INVESTMENTS SA

Indicators publication	Title	2023	2022	Comment
REGIONAL, ECONOMIC AND SOCIETAL IMPACT				
Regional impact				
SOT01	Number of Banking network points of sale	1,714	1,749	-
SOT01A	Other points of sale in France	1	1	Banque Transatlantique (scope covered by the NFPS)
SOT01B	Other points of sale abroad	3	3	Banque de Luxembourg (scope covered by the NFPS)
Associations				
SOT40	Number of NPO customers (associations, labor organizations, works councils, etc.)	120,445	125,879	Banking networks and Banque Transatlantique. 2022 data reviewed.
Environmental impact				
SOT63	Number of interest-free eco-loans granted during the year	6,977	5,670	-
SOT65	Total amount of interest-free eco-loans granted during the year *(in € thousands)*	100,273	76,516	Annual production (end-of-month outstandings). Number of loans granted to customers in the form of interest-free loans to finance new buildings, under certain conditions, to renovate and refurbish as new, to conduct extension or heightening work.
SOT69	Number of renewable energy projects financed (professionals and farmers) *(in € thousands)*	115,460	111,673	Financing projects for renewable energy installations or systems actually carried out over the calendar year with professionals, farmers and small businesses. 2022 data reviewed.
RESPONSIBLE FINANCIAL SAVINGS				
SRI and ESG (CM Asset Management, La Française and Banque de Luxembourg Investments SA)				
SOT28LNOV	SRI outstandings with SRI, Luxflag or Towards Sustainability label *(in € millions)*	39,304	30,886	-
	Outstandings of products classified as SFDR Article 8 (products taking into account the promotion of social or environmental characteristics in their investment process) *(in € millions)*	83,112	77,310	-
	Outstanding products classified as SFDR Article 9 (products pursuing a sustainable investment objective) *(in € millions)*	20,986	17,483	-
	Share of outstandings classified as SFDR Articles 8 or 9	80.4%	74.3%	-
SOT29	SRI – Voting policy – Resolution approval rate	76.3%	74.6%	-

Indicators publication	Title	2023	2022	Comment
SOT29-RP	SRI – Voting policy – Number of resolutions handled	28,498	27,146	-
SOT29-RA	SRI – Voting policy – Number of resolutions approved	21,745	20,261	-
SOT30	SRI – Voting policy – Number of Shareholders' Meetings in which the company participated	1,801	1,719	-
Socially responsible employee savings *(in € thousands)*				
SOT37LCIES	Outstanding amount of socially responsible employee savings with the CIES label	603,593	495,013	-
Solidarity savings				
SOT36	Outstandings in LDDS passbook accounts (in € millions)	7,133	6,397	-
SOT33LFinansol	Savings outstanding on products with the FINANSOL label (in € thousands)	39,067	57,651	-
SOT35	Amount from solidarity products paid to associations (in € thousands)	232	120	-
QUALITY OF SERVICE AND CUSTOMER RELATIONS				
Mediation				
SOT75	Number of cases eligible for banking mediation	399	365	Cases received by the customer relations department in France whose settlement should be completed through mediation.
SOT77	Number of decisions favorable to the customer in banking mediation	136	119	
SOT78	Percentage of decisions favorable or partially favorable to the customer	36%	36%	
Economic impact indicators *(in € millions)*				
SOT84	Home loan	108,811	103,999	2022 data reviewed
	Of which retail customers	*75,927*	*73,717*	*2022 data reviewed*
SOT85	Consumer loan	7,051	6,619	-
	Of which retail customers	*5,679*	*5,342*	-
SOT86	Equipment loan	55,344	52,559	2022 data reviewed
	Of which corporates	*28,573*	*26,905*	-
	Of which professionals	*20,257*	*19,091*	-
	Of which farmers	*2,532*	*2,328*	-
	Of which NPOs	*780*	*838*	-
	Of which retail customers	*2,874*	*3,060*	-

3.5 SOCIETAL AMBITION – A PLAYER IN SOCIETY AND CULTURE

3.5.1 A responsible commitment (SOT53)

3.5.1.1 Relations with suppliers

A group purchasing policy governs CIC's relations with its suppliers and a sustainable and responsible purchasing charter is proposed to suppliers for signature. The entire system is described in the presentation 3.9.3.2 - Assessment procedures concerning the status of suppliers and subcontractors.

3.5.1.2 Human rights (SOT82)

CIC is committed to respecting human rights, in particular the rights covered by the main ILO Conventions, notably in the promotion of equal opportunities as an employer and in the context of the protection personal data.

Banque Transatlantique is a partner of the French Association for the United Nations (*Association française pour les Nations unies* – AFNU), which works for peace and international security and promotes the defense of human rights. CIC is also active in solidarity, health, social and education fields (see section 3.5.1.4).

3.5.1.3 Contributing to regional economic development

Promoting integration and reintegration (SOT45)

CIC approach is in line with that of Crédit Mutuel Alliance Fédérale, an active member of the *Collectif d'entreprises* (French corporate community) for a more inclusive economy in France.

At the end of 2023, CIC Nord Ouest launched the 2nd edition of the Boost Academy to support promising young people between the ages of 18 and 25 in the Hauts-de-France or Normandy region, who have a project to create a business or association whether already in existence or in the process of being launched. The 12 winners selected to join the Boost Academy cohort will receive a three-month personalized support program, a €3,000 grant, a €200,000 funding envelope to be divided among the 12 projects, and a workspace made available to them according to their needs.

In addition, partnerships promoting integration have been renewed or developed, including:

Beneficiaries	Objectives	Partners
60,000 Rebonds	Support post-liquidation entrepreneurs to rebound towards a new business project.	CIC Est and CIC Ouest
La Cravate Solidaire	Provide people in precarious situations with the best opportunities to successfully complete their job interviews.	CIC Nord Ouest
Association Clubhouse France	Work for the social and professional integration of people with mental disabilities.	CIC Ouest

Support entrepreneurial initiatives

In 2023, CIC launched the 4th edition of CIC Start Innovation Business Awards, a multi-regional call for projects with regional finals and then a national final. The aim is to encourage the emergence and promotion of start-ups and SMEs with the best innovative projects. Three prizes were awarded by each regional jury, then three at national level: Scale [1] (dedicated to fast-growing start-ups), Impact (for companies with a positive impact on the ecosystem or the environment) and Start (for young start-ups). Once again this year, CIC wanted to give special recognition to companies that are committed to society and the environment.

In addition to the prizes, this competition is an opportunity for participants to grow and make themselves known, through direct exchanges with the jury, made up of major customers and influential players in the ecosystem, experts such as Crédit Mutuel Equity investors, and among peers, as regional innovation ecosystem players are present.

Support microloans

The total amount of credit lines made available to ADIE by the six banks to finance micro-entrepreneurs was €9.1 million in 2023, an increase of 18% compared to 2022. In the Hauts-de-France region, CIC is the leading refinancing agency for ADIE's activity. In addition, CIC supported and relayed communication campaigns to support entrepreneurship.

CIC maintains a special relationship with Initiative France and actively participates in actions at both the national and local levels. The six banks support the projects of entrepreneurs by supplementing honorary loans. CIC is also a partner of France Active.

For its part, Banque de Luxembourg supports Microlux, the leading microfinance institution in Luxembourg.

(1) Scale: the scalability of a company or start-up is its ability to produce more and achieve economies of scale.

Developing infrastructure – project financing [1]

In 2023, among the projects financed by CIC's project financing department:

- 23 infrastructure projects: six projects in France (three fiber optic networks, an airport, an energy efficiency infrastructure operator, a heating network operator), two projects in Germany (a fiber optic network, a telecom towers project), nine projects in Australia (three airports, an educational infrastructure, two metro lines, a freeway, a port, a hospital), a project in Belgium (fiber optic network), a project in Croatia (freeway), a project in the United States (electrical transmission line), a project in Finland (fiber optic network), a project in the Netherlands (data center), a project in the United Kingdom (fiber optic network).
- A telecoms project: in France.

Funded renewable energy projects are described in section 3.7.4.3. All projects financed strictly comply with the environmental standards of the host country. This financing is subject to an internal vetting procedure, including the ESG criteria described in the vigilance plan (section 3.9.3.3).

3.5.1.4 Supporting multiple social and solidarity projects

CIC is involved in social and solidarity-based initiatives. Examples in various areas include:

- **Health** (prevention, support for research, patient care)

Beneficiaries	Objectives	Partners
Fondation Hospices Civils de Lyon	Accelerate medical research and innovation, improve reception and comfort at hospitals, and support patients and their families.	CIC Lyonnaise de Banque (founding member)
Fondation d'entreprise Thérapie Génique en Pays de Loire	Developing research in gene therapy.	CIC Ouest (founding member)

- **Social**

Beneficiaries	Objectives	Partners
La Sauvegarde du Nord Endowment Fund	To support the Pro'Pause social program, which assists people in very precarious situations who have broken away from existing services in the context of an innovative living space with a collective dimension.	CIC Nord Ouest
Les Foulées du Sourire Association	Fight against domestic violence.	CIC Est
Bethesda Care Services	Funding scholarships	CIC Singapore
FC Basel 1893 DreamTeam	Enabling people with motor or mental disabilities to play football and take part in community life.	CIC (Suisse)

The group's companies sometimes go beyond partnerships, making donations (for example, by buying new toys for hospitals) or collecting donations, with a desire to involve employees in events organized by associations. For example, by taking part in races like the one organized by CIC Ouest on behalf of the *Toit à Moi* association for the homeless.

For its part, CIC Lyonnaise de Banque has set up a top-up system to complement employee donations, whether in terms of donations of days or time. Paid leave donations were rolled out in 2019. Each day donated by an employee is valued and matched in cash, these donations are then paid to the *l'Entreprise des possibles* (companies of the possible) endowment fund (a collective of companies launched this year in the Lyon metropolitan area, for homeless people or people in very vulnerable situations).

(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 CM CIC Project Financing portfolio.

- **Education** (promotion of equal opportunities)

Beneficiaries	Objectives	Partners
ARELI	Emergence program for educational support and funding of higher education scholarships.	CIC Nord Ouest
Association Coup de Pouce	Fostering academic success for all.	CIC Lyonnaise de Banque
Institut Télémaque	Acting for equal opportunities in education by supporting young people from low-income backgrounds as from middle school.	Banque Transatlantique

CIC also supports numerous higher education institutions (SOT44). These partnerships can be strengthened by teaching students useful skills: advice on job interviews, information meetings on business creation.

In 2020, CIC Sud Ouest launched the first degree exclusively dedicated to green finance in France, delivered by the University of Montpellier. The bank wanted to be involved in this climate finance project and to be a player in the global transition to a low-carbon economy. This commitment is reflected in the cross-participation of experts in the courses offered by the university, but also in the reinforcement of the links between the bank and the university.

CIC also takes part in job forums, submits internship proposals to higher education institutions and trains apprentices and work-study trainees.

- **Support for philanthropy**
  - Banque de Luxembourg devotes most of its patronage budgets to promoting philanthropy, social entrepreneurship and impact investing in the countries where it operates. This action is expressed mainly through a strong dialog with the Government of Luxembourg about the measures to be put in place to develop an environment in the Grand Duchy that encourages the commitment of each resident to projects of general interest but also information campaigns nationwide. The bank is a partner of the *Fondation UP*, a Luxembourg foundation dedicated to non-formal education, in the Luxembourg launch of the Design for Change method of philanthropic engagement in schools.
  - Created in 2012, the Transatlantic Endowment Fund is the first endowment fund founded by a French bank to feature dedicated and sustainable compartments on behalf of philanthropists, retail customers or corporates. As a member of the French Center for Funds and Foundations, its role is to participate in the development of philanthropy. It finances projects of excellence in the fields of health, solidarity and culture and offers a vehicle for structuring the generosity of philanthropists in order to facilitate their commitment to the general interest.
  - The bank also organizes events to promote exchanges between philanthropists and between them and foundations and associations. In particular, it joined forces with the *Un Esprit de Famille* association to develop family and private philanthropy by spreading best practices.
  - Moreover, events are held to raise awareness among banking network customers about philanthropy (creation of endowment funds, shared funds, etc.).

In addition to these initiatives, CIC supports Crédit Mutuel Alliance Fédérale foundation, whose purpose is to encourage and promote general interest initiatives aimed at combating global warming and its impacts on health or promoting social inclusion and access to culture for all.

3.5.1.5 Committed employees

Skills sponsorship is part of the group's activities: several entities such as CIC Sud Ouest and CIC Ouest are active with the association *Nos Quartiers ont du Talent*, which individually and effectively supports young graduates from modest social backgrounds in their search for employment.

In another area, CIC Sud Ouest employees are involved in the development of the Big Nature projects (participative planting of trees and shrubs in agricultural areas using the agroforestry method), and the Tablées engagées, projects developed by the Big Ensemble association.

For the past five years, CIC Lyonnaise de Banque has been running the *Mon Agence CIC, Solidaire et Engagée* - My CIC, Solidarity and Committed Branch operation. This inter-branch competition aims to participate in local solidarity and social actions or in favor of the environment. This action is deployed in the retail network, and for the past year, in the corporate network. The best-performing branches each receive €1,500, to be donated to a locally-based CSR association.

Banque de Luxembourg employees who are involved in solidarity and education projects can ask the bank's *hëllef hëlleffen* (help to help) committee for support. In general, Banque de Luxembourg strives to maintain a balance between financial support and skills sponsorship in any partnership. The following associations have benefited from this approach particularly in terms of governance, communication, fundraising and risk management: the Luxembourg Red Cross, the *Écouter pour Mieux s'Entendre* Foundation and the NGO Friendship Luxembourg.

3.5.2 Patronage, cultural partnerships (SOT57)

CIC continues its mobilization to help maintain the access to culture for all.

3.5.2.1 Long-term support for cultural and heritage-preservation projects

Partners since 2003, CIC and the *Hôtel national des Invalides (musée de l'Armée)* continue to work together to preserve and promote historical, architectural and cultural heritage. This partnership is in line with CIC's societal objectives and its status as a benefit corporation. It makes it possible to consolidate the transmission and promotion of France's history and military heritage, to as many people as possible, particularly young audiences. CIC actively supports the *Musée de l'Armée* in its heritage activities (restoration or renovation work, acquisitions of works of art) and cultural activities (concerts, musical season) as well as for all its temporary exhibitions (in 2023, *La Haine des clans* et *Victoire! La fabrique des héros*).

CIC is also a founding sponsor of the Aix-en-Provence Easter Festival, which has achieved international renown and a strong local economic impact since its creation in 2013.

3.5.2.2 Supporting young artists

CIC's partnership with the *Victoires de la musique classique* (classical music awards) makes it possible to introduce young virtuosos to the general public by giving them the opportunity to perform as part of the musical season at Les Invalides and on numerous stages in France.

In addition, since 2005, the CIC has entrusted a cello by Francesco Goffriller, built in 1737, to Ophélie Gaillard, winner of the 2003 Instrumental Soloist of the Year award.

As part of its partnership with the *Biennale de Lyon pour l'art contemporain*, CIC Lyonnaise de Banque supports the production of a young artist's work every two years, which is then exhibited at the bank's head office as an associated exhibition of the Biennale.

3.5.2.3 Patronages and sponsorships throughout France

Examples of regional cultural projects funded in 2023	Beneficiaries	Patrons/Partners
Fine arts		
Museum support – Participation in temporary exhibitions	*Ville de Roubaix – La Piscine, musée d'art et d'industrie André Diligent*	CIC Nord Ouest
Scientific and cultural project of the museum	*Musée de Pont-Aven*	CIC Ouest
Preservation of heritage and enhancement of the *Musée des Beaux-Arts de Lyon* collections	*Musée Saint-Pierre/Musée des Beaux-Arts de Lyon*	CIC Lyonnaise de Banque
Music		
Musical projects	*Opéra de Lille*	CIC Nord Ouest
Musical projects	*Opéra national du Rhin de Strasbourg*	CIC Est
Festival international de musique Besançon Franche-Comté	*Festival international de musique Besançon Franche-Comté*	CIC Est
Festival international d'art lyrique d'Aix-en-Provence	*Association pour le Festival d'Aix-en-Provence*	CIC Lyonnaise de Banque
Classical music concerts for social, cultural and educational purposes	*La Folle journée de Nantes*	CIC Ouest
Artistic projects	*Opéra National de Bordeaux*	CIC Sud Ouest
Musical projects	*Collegium Musicum Basel*	CIC (Suisse)
Concerts	*Philharmonie* – Luxembourg Philharmonic Orchestra	Banque de Luxembourg
Theater		
Théâtre impérial de Compiègne	*Centre d'animation culturelle de Compiègne et du Valois*	CIC Nord Ouest
Grenier Théâtre de Toulouse	*ASSOC le Nouveau Grenier*	CIC Sud Ouest
Théâtre Mogador	Stage Entertainment France	CIC in Île-de-France
History and cultural events		
Les Rendez-vous de l'histoire (a rendezvous with history) festival – Governance – "The economy meets history" cycle of meetings – Historical novel prize – *Coup de cœur* (personal favorite) award from the bank's readers	*Fonds de dotation des Rendez-vous de l'Histoire*	CIC Ouest
Architecture and heritage preservation		
Cultural events on the themes of architecture, engineering, urban planning, the history of architecture and heritage, as well as other disciplines involved in the act of building	Luxembourg Center for Architecture	Banque de Luxembourg
Support for the conservation of the Fourvière site	*Fondation Fourvière*	CIC Lyonnaise de Banque
Cinema		
Festival du film de Sarlat	*Festival du film de Sarlat*	CIC Sud Ouest
"Sport, Literature and Cinema" festival	*Institut Lumière*	CIC Lyonnaise de Banque
Festival du Cinéma Espagnol de Nantes	*Festival du Cinéma Espagnol de Nantes*	CIC Ouest

3.5.2.4 Promoting access to culture and sports (SOT95)

Initiatives have been launched and partnerships forged to facilitate access to cultural life for all:

- CIC Est contributes to the promotion of classical music through its partnership with *Radio Accent 4*, which opens its airwaves to the musical formations and associations of Alsace by means of local musical information broadcast every four hours, *i.e.* five times a day, and by recording and broadcasting local concerts;
- the Easter Festival offers not only exceptional concerts, but also a series of meetings, master-classes, workshops for children and conferences open to all, all grouped under the title *Musique en Partage*, which aims to bring music to the heart of the regions and to all audiences. Similarly, CIC Sud Ouest contributes to the off-site programming of the Opéra National de Bordeaux;
- Banque de Luxembourg supports the EME (*Écouter pour Mieux s'Entendre*) Foundation, whose mission is to give greater access to music to people who are often excluded from cultural life (elderly people, the sick, people with disabilities, the socially disadvantaged) through participation in workshops and attendance at concerts and shows.

In addition, both nationally and regionally, employees can get free or discounted tickets to performances, museums and concerts. Partnerships can also offer the opportunity to host an exhibition or a work of art in the bank or to give employees access to works of art through private visits. Lastly, events can also be organized for employees with associations.

CIC is also committed to the values promoted by sports and supports numerous regional events or sporting organizations. Partnerships have been signed with national structures including the French Swimming Federation for its missions in education, safety, development of well-being for the general public, and the French Cycling Federation, as bicycling is considered to be a major social issue both in terms of health and ecology. Partnerships have been signed in the regions such as CIC Lyonnaise de Banque with CIC-Mont Ventoux race, CIC Nord Ouest with *les 4 jours de Dunkerque*, CIC Ouest with *les 4 jours CIC de Plouay* and CIC Sud Ouest with CIC Tour Féminin International des Pyrénées.

CIC Ouest is also involved in basketball with a partnership for the training of employees and volunteers, assistance to families in difficulty for the financing of the center for athletes of the future, the development of sports practice with the regional basketball league of the *Pays de la Loire*, a partnership for various projects with the ADA Blois Basket, including the organization of educational and integration actions through sport. Supporting young athletes is also at the heart of CIC Ouest's sponsorship of the UCNA (*Union Cycliste Nantes Atlantique*) road cycling training center.

A partner of major sailing events since the official launch of its title partnership in "The Transat CIC" in 2020 and 2024, CIC has strengthened its commitment by becoming title partner of the CIC Normandy Channel Race in 2021 and until 2026. CIC is also the main partner of the legendary *Route du Rhum Destination Guadeloupe* for the 2022 and 2026 editions.

In 2023, CIC joined as a founding partner The Famous Project, a sporting, human and planetary challenge led by sailor Alexia Barrier, who in 2025 will take on the Jules Verne Trophy with a 100% women's crew.

These partnerships in ocean racing highlight the entrepreneurial spirit, technological performance and collective strength that are the core values of CIC.

3.5.2.5 Societal indicators

BANQUES CIC, BANQUE TRANSATLANTIQUE, BANQUE DE LUXEMBOURG AND BANQUE DE LUXEMBOURG INVESTMENTS SA

Indicators publication	Title	2023	2022	Comment
REGIONAL, ECONOMIC AND SOCIETAL IMPACT				
Patronage				
SOT52M	Total budget dedicated to patronage and sponsorship *(in € millions)*	35.6	15.1	2023: societal dividend included
MICROLOAN				
Intermediate professional microloan – ADIE				
SOT16	Number of applications handled	2,322	2,360	-
SOT17	Amount of lines of credit made available *(in €)*	9,100,000	7,725,000	2022 data reviewed.
Intermediate professional microloan – France Active Garantie (FAG)				
SOT19A	Number of new microloans financed	687	774	-
SOT20A	Guaranteed amounts *(in €)*	19,122,713	21,315,897	-
Intermediate professional microloan – Initiative France				
SOT22	Number of additional bank loans granted	2,064	2,157	-
SOT23	Amount of additional bank loans granted *(in €)*	197,591,000	208,952,000	

3.6 SOCIAL AMBITION – A RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES

At December 31, 2023, CIC had 20,019 [1] registered employees.

The commitment and involvement of employees are key factors in CIC's successful development and financial performance. CIC's social policy aims at creating conditions to better support profound changes that impact its various business lines, and which make it possible to address financial, regulatory and behavioral challenges while promoting career advancement and well-being at work.

The following information relates to CIC entities in France, unless otherwise stated.

3.6.1 Promoting equal opportunities and diversity

Equal opportunity for all at work is a top priority for CIC, from onboarding and throughout the career path. In December 2021, a group agreement in favor of employees with disabilities and caregiver employees was signed. This agreement, applicable to CIC banks, reaffirms management's commitment to diversity and inclusion and is in line with the charter on the fight against discrimination, the promotion of diversity, and the integration as well as retention of disabled workers within the group, which has existed since June 2016.

The prohibition of and fight against all forms of discrimination (SOC69) and respect for gender equality in the workplace (SOC56) are among CIC's commitments.

As part of the new agreement entered into in 2023 on the management of jobs and career paths, in companies covered by the group agreement (GEPP) including those of CIC, Crédit Mutuel Alliance Fédérale intends to reinforce its values of inclusion, equality and promotion of diversity already underway for several years and thus consolidate its status as a benchmark, socially responsible employer. Crédit Mutuel Alliance Fédérale is stepping up its inclusive employment policies, in terms of recruitment and career management, as part of the agreement.

3.6.1.1 Actions to promote diversity and workplace equality (SOC56)

CIC 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 the *raison d'être* of Crédit Mutuel Alliance Fédérale, which CIC has adopted as its own, *Ensemble, écouter et agir* (listening and acting together), and is embodied more specifically in the second mission of its status as a benefit corporation: "*As a bank for all, customers and employees, we act on behalf of everyone and reject all forms of discrimination*". CIC benefits from Crédit Mutuel Alliance Fédérale's commitment to the #StOpE initiative to combat ordinary sexism in the workplace.

Youth employment

CIC is positioned as a committed and active player in favor of young people by developing initiatives throughout the region to promote work-study programs and access for these young people to the world of business. Thus, CIC recruited 528 work-study students in 2023.

CIC also benefits from the commitment of Crédit Mutuel Alliance Fédérale, a founding member of the Business Collective for a more inclusive economy, alongside 38 major companies, which has been carrying out actions to promote the inclusion of young people in ten regions since 2018: Seine-Saint-Denis, Strasbourg, Lyon, Marseille, Bordeaux, Rouen, Lille, Toulouse, Nantes and Grenoble. In each of these regions, CIC is actively involved in a number of initiatives, such as CIC Est at the Forum for the Future held 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 or rural areas, to benefit from advice in their steps to access the professional world.

Committed to neighborhoods and regions, CIC continues to support local players with associations such as *Nos Quartiers ont du Talent, Institut Télémaque*, and *Sport dans la ville.* Actions have been set up within the group's companies to:

- raise young people's awareness of the business world through internships (1,236 paid internships for the 2022-2023 school year), career discovery programs and presentations by professionals in schools;
- facilitate access to work-study programs to enable young people from priority neighborhoods and rural areas to enter the workforce. In 2023, more than 30% of work-study hires came from disadvantaged and rural areas.

Non-discrimination (SOC69)

Recruiters are trained on non-discrimination. More broadly, CIC participates in Crédit Mutuel Alliance Fédérale's commitment to train 100% of its employees in non-discrimination by 2022. A "Preventing discrimination and promoting diversity" training module was deployed in the last quarter of 2022, including a self-diagnosis and e-learning. 98% of registered employees (excluding long-term absences) completed their training in 2022 and 2023.

In January 2023, the whistleblowing system was strengthened with a reporting tool accessible directly on the intranet. This tool enables all group employees to exercise their right to alert in order to protect their interests and/or those of the company. This system is in line with the legal and regulatory provisions as well as CIC's code of conduct. A dedicated messaging service with a small team has been set up at group HR level to process the reports received.

(1) HR data for a scope including consolidated and non-consolidated entities of CIC group.

Local initiatives are also carried out. For example, Banque de Luxembourg [1] is a signatory of the Lëtzebuerg diversity charter, which aims to encourage companies to respect and promote diversity.

Equal 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, CIC 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's world 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). At the level of the French CIC entities under the common social base, women represented 31% of the members of the Management Committees and 49% of executives at December 31, 2023.

In addition, since 2019, companies with 50 or more employees must measure and report their situation against a series of indicators, from which an overall rating out of 100 points is obtained; below the 75-point threshold, they must implement corrective measures. For the six CIC banks, the rating in 2023 (for 2022) varies between 77 and 92 points. Five banks have a score above 85 points.

In addition, a group agreement on equal pay was signed 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. As part of commitment No. 4 Defending equal pay for women and men at all levels of the bank made by CIC as a benefit corporation, a follow-up is carried out every year.

The commitment to respect the principle of equal treatment between women and men is consolidated by the signing of agreements at the entity level. Appropriate concrete actions are defined to continue the fight against stereotypes and prejudices and to guarantee equality in terms of recruitment, compensation, professional development, training and the link between family responsibility and professional life.

Accordingly, in 2023, 43.3% [2] of executives or managers promoted were women compared to 40.5% [3] in 2022 and 4,405 women are executives or managers on open-ended contracts (*i.e.* 48.5% of the managerial workforce).

The breakdown of the workforce by age and gender is shown in section 3.6.5.

3.6.1.2 Employment and integration of people with disabilities (SOC70)

CIC is fully committed to helping people with disabilities. This commitment was strengthened as part of the "Disability and caregivers" group agreement, signed in December 2021. All of the group's companies have a policy of promoting and supporting the social and professional integration of people with disabilities and their caregivers.

All stakeholders have a shared desire to be part of a positive and ambitious dynamic in favor of disability. The main areas of the policy implemented are:

- development and retention in employment within the group, thanks in particular to support in the process of obtaining or renewing the Recognition of the Status of Disabled Worker – RQTH, support in career development and in the professional career, or in the training of the employees concerned;
- the recruitment of employees with disabilities, their integration and securing their employment;
- guaranteeing equal opportunities throughout the career with enhanced support and equal pay in comparable situations;
- training, awareness-raising and communication actions on disability;
- consideration of the issue of disability in the personal and professional life of caregivers;
- the development of relations with the protected and adapted work sector.

A disability mission was set up at the beginning of the year to support the deployment of the group agreement and all players in the disability policy.

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. In addition, each SEC has appointed a disability referent from among its members. CIC entities also participated in the two online forums organized by Hello Handicap in 2023.

Finally, on the occasion of the European disability employment week 2023, several events were held in the various entities to raise employee awareness of invisible disabilities through online workshops and on-site activities. CIC entities took part in the Duoday operation, which provides an opportunity for employees to meet disabled people who are less likely to be employed. These meetings are opportunities to learn more about a profession, to raise awareness on disability and to identify skills.

(1) CIC entity abroad.

(2) Entities located in France, Monaco, Banque de Luxembourg and Banque de Luxembourg Investments SA.

(3) Entities located in France, Banque de Luxembourg and Banque de Luxembourg Investments SA.

At the regional level, CIC Ouest is continuing its partnership with the *Osons l'égalité* association in the joint construction of actions promoting the choice of career paths and the professionalization of young people with disabilities. This partnership should help to facilitate their progress to training that meets tomorrow's needs and facilitate their social and professional integration. The challenge is also to make its employees aware of disability situations in order to promote the best possible integration of those who work at CIC Ouest.

3.6.1.3 Promotion and respect for provisions of the fundamental conventions of the International Labor Organization

Respect for the freedom of association and the right to collective bargaining (SOC67)

CIC entities hold their professional elections at each required frequency, except in exceptional cases due to their size. They regularly bring together their employee representatives *via* the Social and Economic Committee (SEC), the Health, Safety and Working Conditions Commission (CSSCT) or the other SEC commissions, whether mandatory or optional. 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 terms of employment and occupation (SOC64)

In accordance with the law, CIC is attentive in its employment policy to the promotion of the elimination of this discrimination, in particular through the actions described in paragraph 3.6.1.1 and 3.6.1.2.

Elimination of forced or compulsory labor (SOC65) and the effective abolition of child labor (SOC66)

CIC does not use forced or compulsory labor or child labor in its foreign branches and subsidiaries.

3.6.2 Adapting skills and jobs to the group's transformation strategy

A new agreement on the management of jobs and career paths (GEPP) in companies covered by the group agreement was signed in 2023.

The purpose of the GEPP is to anticipate changes in jobs and professions, skills and qualifications, linked to economic, demographic and technological changes, with regard to Crédit Mutuel Alliance Fédérale and CIC's strategy. All of these measures aim to ensure professional development for all employees.

This agreement, which applies to CIC entities, 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:

- realizing our 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 our activities and networks;
- supporting employees' professional projects throughout the group;
- professional training to enhance the employability and skills of our employees;
- identifying and supporting key talent.

The forward-looking management of jobs and skills, internal mobility within the company, professional training, and support for career paths are therefore among the themes and systems included in this agreement.

3.6.2.1 Forward-looking management of jobs and skills

This management involves:

- **Anticipating changes in jobs**

The agreements signed in 2017 form the common standards for Crédit Mutuel Alliance Fédérale employees. A single job reference guide was defined, which includes specific functions performed in CIC companies. It is subject to updates, as well as the classification of functions, by incorporating new jobs and skills identified as essential for the future. Actions are taken based on the needs of companies in terms of positions or skills, as well as the training or development needs of employees whose positions are changing. These measures may include workforce adjustment, mobility, and, where appropriate, adaptation training or retraining, while respecting workplace equality objectives. Crédit Mutuel Alliance Fédérale is also attentive to jobs that present significant and recurring recruitment difficulties in order to anticipate needs and deal with these difficulties.

It should be noted that the new group agreement on the GEPP provides for new measures in favor of the GEPP, including the creation of a joint observatory of professions, whose objectives include analyzing changes in jobs and skills.

Recruitment

New hires on open-ended contracts are mainly made in CIC network in France. A career site highlights CIC's job offers, business lines, employee testimonials and human resources commitments. In addition, employer brand communication campaigns support the recruitment process throughout the year.

Employees of CIC companies covered by the group agreement benefit from a contractual mechanism intended to support them in the event of geographic mobility within the group (agreement of April 11, 2018).

In order to better support employees in the case of intra- and inter-company mobility, two framework agreements were signed 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.

Although priority is given to internal recruitment, internal promotion does not always meet the needs identified. The hiring of young talent at CIC involves the use of work-study programs and apprenticeships, for which a proactive policy is implemented. Since 2019, Cap Compétences has been the apprentice training center – CFA of Crédit Mutuel Alliance Fédérale. The objective is to hire these young people at the end of their contract. CIC also continues to develop partnerships with numerous higher education institutions.

4,124 employees were hired in 2023 on open-ended or fixed-term contracts, *i.e.* 22% of the workforce. The proportion of employees under the age of 30 is fairly stable and represents 18.7% of the total workforce.

New employees are supported by integration mechanisms: career paths in the network combining theoretical training, immersion and practice days in an agency and self-training, specific training or tutoring in other professions.

Identifying and supporting key talent

CIC is part of a global approach to detecting and supporting potential employees. The development of succession plans within companies makes it possible to anticipate departures, to identify and prepare employees with high potential, and to put in place appropriate support according to the short, medium or long-term needs of entities. Internal pathways make it possible to support future executive managers as well as high-potential profiles identified by each entity during succession plans. In addition, the School for directors is a 3rd support system.

3.6.2.2 Training, a factor in the employability and development of employees

The aim of training is to help employees adapt to constant changes in their profession, and to support them in their professional careers. The training program also aims to prevent one of the most significant non-financial risks: the risk of non-compliance in banking operations. It is a major lever for the success of the group's transformation strategy.

CIC invests heavily in the training of its employees. In 2023, the training budget represented 6.6% of the payroll expense, with a total of nearly 789,000 hours of training, or an average of 6 days per employee.

These training courses are provided by Cap Compétences, Crédit Mutuel Alliance Fédérale's training organization. In addition to regulatory, strategic and skills-enhancement training, every year, sales people undergoing professional development follow a 30-day training program tailored to their future profession. One of the most emblematic programs is the School for directors, which takes place over a period of four to five months, with the understanding that candidates for the position of director are relieved of all activities outside of the training itself. These systems enable regular career development within the networks. In addition to all these training courses, employees have access to the distance learning platform, which offers a wide range of modules.

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 transformation. The digital passport launched in 2019 enables each employee to gauge their 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.). Based on a diagnosis carried out using a questionnaire and role-playing exercises, employees were able to acquire new digital skills.

Furthermore, a relational visa enables network employees to position their level of knowledge of tools such as the electronic signature, e-mail analyzer, chatbots, online banking and video appointments.

At the end of December 2023, 98.6% [1] of registered CIC employees benefited from transformation support, thanks to the digital passport and/or relationship visa systems (SOC122).

Quantitative data on training can be found at the end of the chapter (SOC46 to SOC50 indicators).

3

(1) Scope of Cap Compétences including the Credit Mutuel Alliance Fédérale Fédérations, the 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.

3.6.3 Long-term employee involvement

Employee involvement is a strategic objective for Crédit Mutuel Alliance Fédérale entities and failure to achieve this objective has been identified as a significant non-financial risk. CIC's commitment is reflected in responsible social practices that are respectful of employees and the search for quality working conditions and living conditions.

3.6.3.1 A company concerned about the conditions and quality of life at work (SOC45)

Reconciling the improvement both in employees' working conditions and the overall performance of the group in a rapidly changing environment remains a priority.

This commitment depends on several factors: work content, professional development opportunities and quality of management, customer-member satisfaction and the smooth running of the company. In order to establish such conditions over the long term, these topics were integrated into the revised 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) and into the company's technical, social and organizational projects.

In an increasingly complex environment, it is becoming increasingly essential to take quality of life at work into account. In particular, remote working can reduce the complications related to the use of transport to get to work, improve work-life balance or acquire more autonomy in work.

A framework agreement was signed on October 28, 2020 on quality of life at work and remote work. It constitutes a common basis applicable to all entities subject to the group Agreement. These then implemented it as closely as possible to their organization in a logic of proximity and responsibility.

Strong measures to promote Quality of Life at Work (QLW)

The common measures of the QLW framework agreement aim to:

- 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 through the adoption of a "sustainable mobility" package of €700 for 2023, an internal carpooling platform and the proposal to sign up for refresher days to make cycling safer;
- encourage the development of a "responsible" management model, encourage employees to participate, in particular through the corporate social network and commitment surveys, and encourage employee involvement in solidarity activities (blood donation) or civic activities (12 days granted to employees in the military reserves and volunteer firefighters);
- facilitate the balance between professional and personal life with the 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.

Remote work at the heart of the group's commitments

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.

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, asking employees for their opinions on working conditions in particular.

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 order to ease 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 QLW and the work-life balance of its employees.

These strong measures enhance the current systems described below.

Actions to prevent and monitor employee health and safety

The health and safety of employees is a major priority for CIC.

Preventive actions on employee health and safety are applicable to all companies covered by the group agreement:

- a plan for the prevention of stress at work. The actions proposed for preventing, reducing and eliminating stress on the job take into account the work done by the task force and the survey conducted with employees by an outside firm. Preventive measures concern workstation design and equipment, adaptation of the intranet site, use of messaging, the role and training of the manager, training and support for employees, the organization of work;
- a charter pertaining to the prevention of and fight against harassment and violence.

In addition to the whistleblowing procedure set out in the charter related to the prevention and fight against harassment and violence at the entities covered by the group agreement, including those of CIC, employees can also report any failure to comply with legal and regulatory obligations as well as with professional or internal standards that they may observe in the course of their activities.

As regards incivility from customers, a computer application makes it possible to identify the incivilities reported by employees. It also contains recommendations on the action to be taken with the employees involved. Training in the management of incivility has been rolled out, notably among reception staff in branches.

In each company, the Single Risk Assessment Document and the working conditions assessment grid are updated regularly, at least once a year.

Furthermore, to prevent certain risks specific to business (armed attack, physical aggression, incivility), an update and reminder of safety instructions are done regularly.

Various documents such as the security booklet and security at CIC branches information are available to employees on the intranet. Self-training modules, awareness-raising actions, evacuation simulation exercises in the event of fire and risk prevention exercises are regularly carried out. CIC [1] declared 75 work-related accidents leading to medical leave, including relapses.

Absenteeism (SOC38) excluding maternity/paternity leave represented 206,082 working days of absence during the fiscal year (SOC124), *i.e.* 11 days per employee.

CIC actively contributes to its employees' health, protection and retirement cover (see section 3.6.3.2.4). All systems are published in the Employee universe menu on the intranet.

The Social and Economic Committee, through the health, safety and working conditions commission (CSSCT), contributes to the protection of the health and safety of employees and to improving working conditions.

The search for work-life balance

While the introduction of remote working, endorsed by the framework agreement and its addendum described above, may help to better reconcile work and personal life, other agreements are also in place:

- the working time agreement allows the signatory entities, including those of CIC, to adapt their organization to the behavioral changes of customers and to adjust the reduction of working hours flexibly. In view of the diversity of the activities and the organizational constraints of the companies covered by the agreement, several possible working arrangements are defined with the acquisition of rest days when the working week is longer than 35 hours (off-cycle). The proportion of part-time employees is 5% (SOC29 to SOC32 indicators) [2];
- the group agreement on support for employees in the use of digital tools and the right to disconnect (SOC84) notably reiterates the right of employees not to address e-mails outside working hours except in the case of a proven emergency. A code of good conduct for communication tools is included in this agreement in order to ensure the reasonable, useful and effective use of said tools. A management document entitled "I respect the right to disconnect" aims to provide managers with best practices in this area;
- the agreement on the donation of days provides for establishment of a mutual fund in order to pool donations made by employees at the group level and not only, as prescribed by law, donating days for employees of the same company. Employees who need a donation are entitled to the same benefits regardless of the size of the company in which they work. The possibility of using a donation was extended, as a first stage, in the event of illness, disability or accident of particular seriousness of a spouse or civil partner. In 2021, it was also extended to employees helping a dependent or disabled person.

During the work-review meeting, the issue of articulating the different work-life periods may be approached and solutions sought in the event of difficulties. Measures may also be taken to allow the employee to deal with constraints related to geographic mobility apart from moving expenses, according to agreements in force within the signatory companies.

Initiatives are also carried out to set up facilitating services such as CIC Ouest, which signed a partnership with a network of nurseries for the allocation of cradles.

3.6.3.2 A responsible social framework

3.6.3.2.1 Long-term employment

Total workforce [3] of CIC entities is virtually stable (+1.5%) compared to the end of 2022 with a slight increase in the number of bank employees (+0.9%). The workforce of the French subsidiaries increased by 6.7%. The share of institutions located abroad also increased by 2.7%.

Within the scope used for the indicators, entities located in France, Monaco, Banque de Luxembourg and Banque de Luxembourg Investments SA, which has 19,025 employees (natural persons), 94.4% are on open-ended contracts.

CIC posted a turnover rate (SOC27) of 4.6% excluding internal mobility. Data on hires and layoffs are included in the table of corporate indicators. The average length of service of group employees is nearly 14 years.

3.6.3.2.2 A policy of transparent and incentivized compensation

Since 2018, Crédit Mutuel Alliance Fédérale has adopted a common compensation policy that is intended above all to be reasonable and responsible, and is reflected in:

- the decision to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members. Crédit Mutuel Alliance Fédérale has therefore decided not to set individual sales targets that could generate variable compensation for most of its employees, particularly those working for the networks;

(1) *Entities located in France, Monaco, Banque de Luxembourg and Banque de Luxembourg Investments SA.*

(2) *Entities located in France, Monaco, Banque de Luxembourg and Banque de Luxembourg Investments SA.*

(3) *HR data for a scope including consolidated and non-consolidated entities of CIC group.*

- respect for gender equality in terms of compensation based on classification, and more broadly fighting all forms of discrimination;
- restrictions on additional compensation components (benefits in kind, variable compensation, etc.) which only concern 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.

For employees in France, the components of fixed compensation are described in the appendix of the group's new agreement available on the intranet. Each job is placed in a classification grid, on one or several levels. Each classification level corresponds to a base salary bracket. The classification grid, base salary grid for the year, rules on changing levels, decision criteria and minimum amount of individual raises are published. No discrimination is allowed as regards positions and compensation.

Moreover, an annual electronic individual social report (ISR) allows the employee to be knowledgeable about the components of his or her overall compensation for the preceding year and any changes.

Employees have access to various tools and documents through the "employee universe" intranet space.

An annual report on compensation policies and practices for employees whose professional activities have substantial impact on the company's risk profile is communicated to the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority) and published on CIC's website.

The gross compensation of employees on open-ended contracts [1] amounted to €977.6 million (+5.8% compared to 2022). In 2023, all employees covered by the group agreement, and who are bound by an employment contract on the date of payment of the said bonus, received a value-sharing bonus.

Quantitative data on compensation can be found at the end of the chapter (SOC73, SOC80, SOC107 to 109 indicators).

3.6.3.2.3 Employees associated with overall performance

In 2023, the overall rate of profit-sharing and incentive scheme benefits paid in respect of 2022 was raised to 16.7917% of payroll expense (13.2764% for profit-sharing and 3.5153% for incentive scheme). For CIC entities covered by the single status, 21,266 employees received a total amount of €141.2 million. In addition, the top-up contribution to the group savings plan for 2023 was €900 for voluntary savings of €300 per employee. The amount of the top-up contribution paid was €15.2 million.

The calculation of profit-sharing is based on Crédit Mutuel Alliance Fédérale's consolidated income under IFRS, including the performance of all the companies that have signed the agreements. Among the salaries used as a basis for the calculation, the lowest salaries are subsidized. New agreements were signed in 2021 for three years, which demonstrate the desire to even better recognize the contribution of employees to Crédit Mutuel Alliance Fédérale's results.

Comprehensive information on employee savings is made available to all employees on the intranet (video, self-training, documentation). In addition, there are no stock option plans for CIC executives.

3.6.3.2.4 An advanced social protection policy

With regard to supplemental health coverage, the general plan's contribution paid by CIC exceeds that prescribed by law. This system with contributions proportional to salary favors the lowest incomes. Families also benefit from other measures in addition to the provisions stipulated in the collective agreement. In terms of protection, employees also benefit from quality protection financed to a large extent by the group, particularly concerning maintenance of salary for three years in the case of long-term illness and a level of income maintained until retirement in the case of disability. The employee benefit plans also include:

- for beneficiaries of the death benefit, the payment of the top-up per dependent child paid directly to dependent children, which takes account of changes in family circumstances;
- calculation formulas of the annuity of a spouse adjusted to actual age at time of retirement to allow spouses of older employees to receive a lifetime annuity;
- the payment of the education allowance for children who continue their studies or with disabilities up to the age of 28.

For their retirement, in addition to the mandatory basic social security and complementary ARRCO-AGIRC plans, CIC employees benefit from a supplementary pension plan by capitalization. Since January 1, 2021, a new PERO supplementary pension plan, the Groupe Assurance Retraite [2], has replaced the points-based pension contract called CIC Retraite, which is entirely financed by the employer and whose management is individualized. Employees can make voluntary payments and allocate rights stemming from the time-saving account (*compte épargne temps*) to the scheme. Similarly, on January 1, 2021 the PERCOG from which all employees benefited became the PERECOL [3], the second scheme that allows employees to build up a supplementary pension by contributing to it through the payment of incentives or profit-sharing, by voluntary payments or by monetizing compensatory time or paid leave into savings with no effect on income tax.

(1) Entities located in France, Monaco, Banque de Luxembourg and Banque de Luxembourg Investments SA.

(2) Mandatory retirement savings plan.

(3) Group company retirement savings plan.

3.6.4 Social dialog

3.6.4.1 Professional relations and overview of collective agreements (SOC78)

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 new strategic plan, which clearly includes high-quality, local social dialog as a key driver to achieve the group's goals. A certain number of subjects give rise to framework agreements at group level but most of the dialog must take place locally, in a responsible manner and as close as possible to the field. Employee representatives are closely involved in decisions.

Within CIC companies, 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 areas and topics:

  - the company's strategy,
  - the company's economic and financial position,
  - the company's social policy, working conditions and employment,
  - one-off basis on the subjects which come within its remit such as reorganization plans, the introduction of new technologies, the internal rules, collective working hours.
- **local representatives set up in various geographies or multi-site companies** to maintain proximity to the field. They support the SEC and can, in particular, 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 set up locally in the companies, union representatives are also appointed at group level (group agreement scope). These are the group union representatives (DSG). These DSGs have the authority to negotiate the group 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 group agreements were signed with the DSGs, including (SOC83):

- 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.

Specific agreements have been signed at the level of certain CIC entities.

3.6.4.2 Employee satisfaction (SOC87)

Employee listening surveys are conducted to measure stress and concerns related to business, but also to the health crisis. In addition, new team coordination formats and new tools such as IDNOV are being rolled out to enable everybody to voice their concerns and ensure reporting.

CIC was ranked second in Capital magazine's 2023 "Best Employer" awards [1] in the banking and financial services sector behind its parent company Crédit Mutuel, based on ratings given by its own employees but also by those working in the same field. This ranking illustrates CIC's performance and proactive human resources policy.

(1) Survey conducted in the autumn of 2022 by the Statista Institute among a panel of 20,000 employees working in companies with more than 500 people in France.

3.6.5 Social indicators

2022: ENTITIES LOCATED IN FRANCE OWNED BY BANQUE DE LUXEMBOURG AND BANQUE DE LUXEMBOURG INVESTMENTS SA

2023: ADDITION OF MONACO

Indicators publication	Title	2023	2022	Comment
WORKFORCE				
SOC01_bis	Workforce on the payroll NP (natural persons)	19,025	18,697	-
SOC06	*of which men*	*7,739*	*7,638*	-
SOC07	*of which women*	*11,286*	*11,059*	-
	of which managers or equivalents	*9,077*	*8,731*	-
SOC05	*of which non-managers or equivalents*	*9,948*	*9,966*	-
SOC08	*of which open-ended contract workforce*	*17,962*	*17,754*	-
SOC08_NCadre	*of which non-manager open-ended contract employees or equivalent*	*8,900*	*9,035*	-
SOC12	*% open-ended contract employees*	94.4%	95.0%	-
Age pyramid (NP workforce)		19,025	18,697	-
SOC88	Under 25 years old	1,337	1,264	-
	of which men	*577*	*535*	-
SOC89	*of which women*	*760*	*729*	-
SOC90	25 to 29 years old	2,229	2,184	-
	of which men	*893*	*853*	-
SOC91	*of which women*	*1,336*	*1,331*	-
SOC92	30 to 34 years	2,604	2,539	-
	of which men	*1,048*	*1,013*	-
SOC93	*of which women*	*1,556*	*1,526*	-
SOC94	35 to 39 years	2,795	2,890	-
	of which men	*985*	*1,043*	-
SOC95	*of which women*	*1,810*	*1,847*	-
SOC96	40 to 44 years	3,042	2,966	-
	of which men	*1,127*	*1,100*	-
SOC97	*of which women*	*1,915*	*1,866*	-
SOC98	45 to 49 years	2,422	2,312	-
	of which men	*978*	*945*	-
SOC99	*of which women*	*1,444*	*1,367*	-
SOC100	50 to 54 years	1,808	1,682	-
	of which men	*797*	*757*	-
SOC101	*of which women*	*1,011*	*925*	-
SOC102	55 to 59 years	1,665	1,809	-
	of which men	*760*	*826*	-
SOC103	*of which women*	*905*	*983*	-
SOC104	60 years old and older	1,123	1,051	-
	of which men	*574*	*566*	-
SOC105	*of which women*	549	*485*	-
Data in FTE				
SOC01	Total FTE workforce	18,786	18,459	FTE (full-time equivalent) employees in and outside France enrolled in the workforce as of December 31: ■ Regardless of the nature of the employment contract (fixed-term contract/open-ended contract/work-study program/holiday auxiliary). ■ Even if "suspended", without compensation paid, excluding interns under internship agreements. ■ Excluding temporary workers, excluding external service providers. People on disability leave are included.

Indicators publication	Title	2023	2022	Comment
WORKFORCE – MOVEMENTS				
New hires – Recruitment				
SOC13	Total hires NP	4,124	4,148	All types of contracts (fixed-term contracts – open-ended contracts – work-study program – holiday auxiliary). Including the conversion of fixed-term contracts or temporary contracts into open-ended contracts. Excluding trainees and temporary workers.
SOC14	*of which men*	*1,739*	*1,658*	-
SOC15	*of which women*	*2,385*	*2,490*	-
SOC16	*of which open-ended contracts*	*1,721*	*1,744*	-
SOC17	*of which fixed-term contracts*	*2,403*	*2,404*	-
Layoffs and their reasons				
SOC19	Number of employees with open-ended contracts that quit the organization NP	1,530	1,880	Types of open-ended contract exits: resignations, end of trial period (mutually by employer and employee), mutually agreed contract termination, group mobility, retirement. Including deaths.
SOC20	*of which dismissals*	177	185	Whatever the disciplinary reason (real and serious reason, for serious or gross misconduct)/economic/personal (professional inadequacy). Including transactional departures preceded by layoff. Excluding mutually agreed contract termination.
SOC27	Turnover	6.5%	8.3%	Resignations + layoffs + end of probationary period + mutually agreed contract termination + group mobility/end-of-year total permanent employees.
	Turnover excluding group mobility	4.6%	5.2%	Excluding Banque de Luxembourg and Banque de Luxembourg Investments SA.
ORGANIZATION, WORKING HOURS AND ABSENTEEISM				
Work organization				
SOC29	Number of full-time NP employees	18,065	17,738	Employees on open-ended or fixed-term contracts whose working time is equal to the legal period of the country. France: 35 hours per week or 151.67 hours/month for non-managers; full-time day package (not reduced) for a manager.
SOC30	Number of part-time NP employees	960	959	Employees on open-ended or fixed-term contracts whose working time is equal to the legal period of the country. France: 35 hours per week or 151.67 hours/month for non-managers; full-time day package (not reduced) for a manager.
SOC31	% of full-time employees	95.0%	94.9%	-
SOC32	% of part-time employees	5.0%	5.1%	-
Absenteeism and reasons				
SOC38	Total number of working days of absence	206,082	232,075	Concerns the days of absence of the overall workforce regardless of the employment contract (open-ended contract/fixed-term contract/work-study program) – Excluding interns and temporary workers. Excluding days of paid leave or contractual days (reduced working hours – seniority – etc.). Absenteeism includes sick leave and absences due to workplace/commuting accidents. Maternity/paternity leave is excluded.
SOC39	*of which Illnesses*	*203,275*	*228,743*	Excluding occupational illnesses.
SOC40	*of which workplace accidents*	*2,807*	*3,332*	Including commuting accidents and occupational illnesses.

Indicators publication	Title	2023	2022	Comment
COMPENSATION AND CHANGES IN COMPENSATION				
SOC73	Gross payroll expense *(in €)*	1,003,195,358	945,505,226	Cumulative gross compensation of employees in the institution (excluding employer contributions). Compensation corresponds to salaries and bonuses paid during the fiscal year to all employees.
SOC107	Total gross annual compensation *(in €)* of open-ended contract employees	977,643,977	924,306,106	Open-ended contract only – all statuses including executive management
SOC108	Total gross annual compensation *(in €)* non-managerial open-ended contracts	334,880,326	323,394,829	-
SOC109	Total gross annual compensation *(in €)* – managerial open-ended contracts	642,763,651	600,911,278	-
SOCIAL SECURITY CONTRIBUTIONS				
SOC80	Total amount of social security contributions paid *(in €)*	630,890,237	601,660,931	Employer social security contributions only
TRAINING				
SOC46	Amount of payroll expense invested in training *(in €)*	66,455,499	56,026,476	-
SOC47	% of payroll expense dedicated to training	6.6%	5.9%	-
SOC50	Total number of hours allocated to employee training	788,671	717,856	Including face-to-face, e-learning hours as a prerequisite or postrequisite for face-to-face training, and e-learning hours only
	Average number of training days per employee all contracts	5.6	5.1	
EQUAL OPPORTUNITIES				
Workplace gender equality				
SOC59	Number of women managers or equivalent on open-ended + fixed-term contracts	4,405	4,117	Working in France or abroad (2022: Banque de Luxembourg and Banque de Luxembourg Investments SA - 2023: addition of Monaco).
	Number of male managers or equivalent on open-ended + fixed-term contracts	4,672	4,614	-
SOC60	% of women among managers or equivalent on open-ended + fixed-term contracts	48.5%	47.2%	-
SOC61	Number of managers or equivalent promoted in the year to a higher level of function	531	664	-
SOC62	of which number of women	230	269	-
	of which number of men	301	395	-
SOC63	% of women among managerial promotions or equivalents	43.3%	40.5%	-
Employment and integration of workers with disabilities				
SOC68	Number of workers with disabilities	596	483	Number of people with disabilities (declared and recognized disability) within the entity, as a number of "individuals", not FTEs (Full Time Equivalent) or "beneficiary units", defined in the mandatory declaration of employment of workers with disabilities.
SOC71	% of people with disabilities in the total workforce	3.1%	2.6%	-
SOCIAL DIALOG				
Promotion and respect for provisions of the fundamental conventions of the International Labor Organization				
SOC67	Number of convictions for obstruction (in France)	0	0	Final judgments only (not subject to appeal)

3.7 ENVIRONMENTAL AMBITION – A STRENGTHENED APPROACH TO THE ENVIRONMENT

3.7.1 Reducing the direct carbon footprint

3.7.1.1 Calculation of the office life carbon footprint (ENV60)

Like Crédit Mutuel Alliance Fédérale, CIC assesses its carbon footprint in France on the basis of 2022 data and on the "office life" scope for all scopes. The purpose of this estimate is to identify issues and implement measures to reduce the footprint. Work to fine-tune the method used for calculating emission items and to make certain data more reliable continued in 2023, in particular on employee commuting and customer travel.

As most of the purchases or services are carried out at Crédit Mutuel Alliance Fédérale business line centers whose scope is studied at the level of Crédit Mutuel Alliance Fédérale, the analysis at CIC level covers the other items.

Item title (GHG Protocol)	2022 emissions (tCO_2e)	2021 emissions (tCO_2e)	2022/2021 change (%)
Scope 1 – direct emissions	**5,950**	**7,170**	**-17%**
Scope 2 – indirect energy emissions	**3,730**	**4,100**	**-9%**
Scope 3 excluding purchases – other indirect emissions	**60,180**	**61,430**	**-2%**
Fixed assets (IT, buildings, vehicle fleet)	13,300	13,700	-3%
Fuel and energy emissions	3,080	3,520	-13%
Upstream freight (mail, cash-in-transit)	15,100	15,700	-4%
Waste generated	2,630	2,710	-3%
Business travel	2,370	1,370	73%
Home-work travel	15,500	14,600	6%
Downstream freight (customer travel)	8,200	9,830	-17%

Emissions by scope for 2022 are down compared to those of 2021 (-4% overall).

With the exception of home-work travel and business travel, all these items emit less.

With regard to business travel, the rise in emissions between 2021 and 2022 is linked to the increase in air travel and personal vehicle travel.

The biggest reductions in CO_2 emissions were in direct emissions (including gas: -17%, diesel car fleet: -47%, refrigerant gas leaks: -49%) and downstream freight emissions by -17% each.

3.7.1.2 Transition 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 that apply to CIC:

- 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 CIC local banks and branches. Strict measures to limit air conditioning are then taken;
- extinction of illuminated signs and offices outside working hours: all illuminated signs both at head office 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: because 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 updated in order to continue to celebrate the holiday season without the use of electric lights during this particular period;
- reduction and adaptation of travel: walking, cycling, public transport, carpooling. An incentive campaign was carried out among employees to promote active mobility. "Refresher" training courses are offered in partnership with the French Cycling Federation. The introduction of the sustainable mobility package for the third consecutive year encourages employees to adopt these modes of transport.

Each entity is called upon to appoint energy sobriety ambassadors to accelerate the implementation of the defined measures. The plan adopted extends the policy already implemented to promote the energy transition described below.

3.7.1.2.1 Measuring and reducing or optimizing energy consumption in buildings (ENV03)

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.

ISO 50001 certification

The energy management 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.

2023 was marked by the preparation of the new energy policy and the resulting objectives, in line with the future 2024-2027 strategic plan. Significant work on the structuring and reliability of data continued and was strengthened thanks to 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 introduced in autumn 2022 contributed significantly to this.

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, a remote control allows the setpoint to be shifted by ±2°C. The new setpoints offer 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.

	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.

CIC has organized itself to meet these commitments. Buildings subject to the tertiary decree and their 2020 and 2021 energy consumption were declared before December 31, 2022 on ADEME's OPERAT platform (Observatory of Energy Performance, Renovation and Actions in the Tertiary Sector).

Supply of less energy-consuming materials for real estate

For work on central sites, all CCS Immobilier suppliers must adhere to a charter requiring them to propose less energy-consuming material when possible in the context of an estimate.

Monitoring of IT equipment consumption

With regard to IT equipment, the automatic switching off and starting of workstations at branches and head offices is operational. Monitoring is carried out to measure the impact of this measure.

The equipment, referenced and validated by Euro-Information, is monitored and compared with regard to energy consumption.

Raising employee awareness on best practices

Employees were encouraged to take part in the Clean your desk operation, which aims to reduce the company's digital footprint by deleting useless or obsolete files and e-mails. At CIC banks, over 3.8 million digital files were removed from servers, saving 3,793Go.

Use of renewable energies (ENV40)

Furthermore, the consumption of renewable or green energy is mainly increasing through new connections to district heating and cooling systems. At Banque de Luxembourg, almost all of the energy in buildings comes from renewable energies (hydroelectric and wind). At CIC Lyonnaise de Banque's head office, geothermal equipment is regularly maintained to improve its efficiency (ENV38). As part of the European H2020 mySMARTLife project in partnership with Nantes Métropole, 571 m^2 of photovoltaic panels were installed on the roofs of CIC Ouest's head office in 2021. This installation avoids the local emission of 10 metric tons of CO2 per year. CIC Ouest head office is one of the pilot sites in terms of energy transition.

CIC will also benefit from the 25-year direct purchase agreement for renewable electricity [1] signed by Crédit Mutuel Alliance Fédérale with Voltalia, a French producer and reseller of renewable energy, enabling the construction of a new 10 megawatt solar power plant in France. In concrete terms, about 5% of the total electrical energy consumption will be supplied with green energy by Voltalia. The commissioning of the plant is scheduled for the end of 2024.

Trends in energy consumption

In 2023, overall energy consumption dropped by 14.5% to 88,729,167 kWh compared with 2022.

3.7.1.2.2 Optimizing travel (ENV37)

Home-work travel

The framework agreement on quality of life at work and remote working signed in 2020 led to negotiations at the level of the group's entities on the terms and conditions of remote working. The introduction of remote work reduced travel in a sustainable manner and made virtual meetings become more widespread. The number of kilometers avoided by videoconferencing in 2023 was 111,180,782 km (-2.4% compared with 2022).

Promotion of soft mobility transport

As part of the improvement of the mobility of employees between their home and their workplace, a commitment included in the framework agreement mentioned above, several concrete actions were implemented to showcase the schemes in place to encourage alternative modes of transport known as soft mobility, in particular:

- the introduction of the €700 "sustainable mobility" package for employees who regularly use sustainable modes of transport such as bicycles or personal electric bikes for their home-to-work commute, carpooling as a driver or passenger, public transport, subject to certain conditions and certain other shared mobility services. In 2023, 4,107 [2] employees were able to benefit from this package;
- actions to promote the use of bicycles;
- the launch of a digital service dedicated to carpooling. CIC employees benefit from Crédit Mutuel Alliance Fédérale's own inter-city carpooling platform.

Other initiatives supplement these systems: mobility workshops with employees from all levels of staff and types of branches (urban, rural, mountain, etc.) to develop projects promoting sustainable mobility, the installation of new bicycle parking facilities, the installation of electric terminals in car parks in bank head offices (for electric or plug-in hybrid vehicles), the implementation of a dedicated universe on the intranet.

(1) Corporate PPA: Power Purchase Agreement.

(2) HR data including consolidated and non-consolidated entities in France.

The use of less CO_2-emitting means of transport for business trips and network shuttles

In addition, the ISO 50001-certified Energy Management System includes not only the buildings but also the motor fleets managed by CCS. In order to promote the energy transition of the motor fleets managed for its members, almost all management vehicles are composed of hybrid, plug-in hybrid or electric vehicles (ENV61). In addition, eco-driving training (aimed at acquiring reflexes to optimize energy consumption) is part of the group's 2023 training plan.

The travel policy, introduced in 2020, 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.

Air travel is now subject to a hierarchical agreement for journeys that can be completed in less than five hours by train and it is recommended to select meeting/training venues that are accessible by rail for the majority of participants.

The gradual switch to clean vehicles is also underway with the inclusion of green fleet criteria in calls for tender for network shuttles (transport between branches and head offices). The network shuttles in Paris were thus 80% electrified.

With the same objective of reducing the carbon footprint of transport, the reduction in the frequency of visits to the branches (5 days a week instead of 6 days a week) has been completed.

3.7.1.2.3 Reducing resource consumption (ENV39)

Given its activity, CIC's actions aim to reduce or optimize the consumption of:

- **water** by replacing lost-water air-conditioning systems wherever possible, and by continuing to deploy other systems: presence detectors, devices limiting water flow rates, water fountains connected to tap water instead of cylinders requiring transport, aerators on taps, automatic watering systems with humidity probes to optimize watering on all green spaces etc. Raising staff awareness of how to detect abnormal water consumption (reporting and quickly repairing leaks, reporting abnormally high bills) is also one of the means used. Water consumption remains relatively stable (+1.3% between 2022 and 2023);
- **paper and ink:**
  - internally, with document printing default settings of black and white and double-sided printing, electronic document management, passing from individual printers to network, printers and the equipment of certain workstations with dual screens to work directly on digital documents. Employees are also encouraged to use recycled paper through intranet messages. This is highlighted in the catalog of the group's purchasing center, SOFEDIS. The roll-out of WATCHDOC, a software program to control printing peripherals at the level of multifunction copiers and network printers, was continued. It aims to simplify the management of the printer fleet, but also to measure the ecological footprint of this activity, which consumes natural resources, and to make users accountable for their environmental impacts by providing personalized information,
  - by digitizing documents (ENV43). Most of the group's employees have opted for an electronic pay slip (97.7% are now paperless), while the individual social report, restaurant vouchers and #Initiatives internal reviews are also paperless. Invoices from intra-group suppliers are also digitized, as are those from public sector customers (State, local authorities, public institutions). For other suppliers, the digitization of invoices is under way. At the customer level, the switch from paper to electronic account statements for customers and employees continues to progress thanks to incentive measures. Subscription to online statements (rather than paper statements) is automatic when opening a customer account. The replacement of paper extracts and statements with digital versions thereof, available on the Internet, generated a paper saving of 71% in 2023. Lastly, customers who wish to keep paper account statements are encouraged to group together the statements of all family members or a third party or group of third parties in a single envelope and to optimize the frequency of the mailing of account statements. The proportion of optimized postal envelopes totaled 68% for the banking network at the end of 2023. Certain customer communication materials are also digitized and available on customers' online accounts. Paper invitations are also being replaced by e-mail and SMS notifications. Euro TVS, the group's IT subsidiary specializing in digitization in all areas, has set up an ISO 14001-certified environmental management system. In addition, CIC offers digital solutions for professionals and companies such as the service CIC e-factures by Épithète for the digital invoicing of their suppliers or customers,
  - by increasing the number of remote services and the possibility of using electronic signatures, including in branches. This year, 8 million electronic signatures were made on tablets or remotely in CIC banks and Banque Transatlantique. The signed documents and appendices are then archived electronically and accessible in the customer's online banking space (documents and contracts). More than 71% of contracts eligible for the electronic signature were signed electronically at banks.

Paper consumption decreased by 8.9% between 2022 and 2023.

3.7.1.3 Waste management and upcycling (ENV39)

Purchasing of recycled or sustainable resources

Initiatives have been conducted to increase the use of recycled or PEFC-certified or FSC-certified paper, such as the production of small-format checkbooks made from mixed FSC paper.

The use of mugs in hot drink dispensers and of biodegradable cups for cold drinks is being rolled out across group entities. For example, kits promoting the reuse of containers (mugs) and the reduction of water consumption with innovative solutions (steam cleaning unit for mugs) were distributed to more than 2,000 employees occupying the premises of new buildings.

Moreover, the lifespan of products can guide Euro-Information's choices in IT equipment purchases. Thus, laptops that have reached the end of their useful life can be replaced by lightweight workstations with a longer lifespan.

Euro-Information Services uses spare parts from end-of-life equipment to extend the life of older equipment still in use.

For phones sold to customers, a recycling solution is provided.

Waste sorting

All entities continued to roll out a policy for optimizing waste and equipment recycling at collection points. Selective and participative sorting with recycling for the five main wastes (paper, plastic, metal, wood and glass) is in place for all sites managed by CCS with over 250 employees. This sorting was extended in 2022 to several "head office" sites with fewer than 250 occupants. Tests are also carried out to extend the sorted material (*e.g.* cigarette butts) and measure the ecological relevance of their recycling.

Waste electrical and electronic equipment is managed in accordance with the obligations laid down in Order 2016-288 of March 10, 2016. The recycling obligation is also a priority area for CCS Immobilier, which has included it in standard contracts for the maintenance of lifting equipment. The service provider must provide the reprocessing slip for waste from electrical and electronic equipment (WEEE), special industrial waste, and service provider waste (packaging of new equipment, aerosol cans, glues and sealants, residual paint).

For its part, Banque de Luxembourg is certified *SuperDreckskëscht* with regard to waste management (annual audit). This quality label is recognized by the European Commission, which awarded it best practice label in the field of the preservation of natural resources and climate protection.

In terms of food waste from restaurants in central buildings, it is mostly managed by collective catering services. Different types of bins are clearly identified and made available to employees for waste sorting. At CIC Est, organic waste is now processed through vermicomposting, and at Banque de Luxembourg a takeaway service is available at the company restaurant with the national ecobox system (plastic box deposit system).

Recycling of IT and telecommunication equipment

As regards IT equipment, the end-of-life management of all equipment is monitored annually by Euro-Information by type of action taken: resale, destruction, reconditioning, pending reallocation.

In 2023, the percentage of equipment resold to brokers was 10% of the total volume of CIC and Banque Transatlantique equipment. The percentage of equipment destroyed or awaiting reallocation represented 5% of the fleet, and reconditioned equipment 3%, with 82% of equipment allocated to employees. Promoting the reuse (second life) of equipment is one of the pillars of the digital sobriety strategy developed by Euro-Information.

3.7.1.4 Environmental indicators

2022: ENTITIES LOCATED IN FRANCE, MONACO, BANQUE DE LUXEMBOURG AND BANQUE DE LUXEMBOURG INVESTMENTS SA

2023: ADDITION OF MONACO

Indicators publication	Title	2023	2022	Comment
RESOURCE CONSUMPTION				
ENV04	Water consumption *(in m^3)*	164,255	162,174	-
ENV05	Total energy consumption *(in kWh)*	88,729,167	103,776,324	2022 data reviewed.
ENV06	*of which electricity (in kWh)*	*71,511,974*	*81,671,287*	-
ENV07	*of which gas (in kWh)*	*12,264,567*	*14,814,920*	*2022 data reviewed.*
ENV08	*of which fuel oil (in kWh)*	*795,502*	*1,013,110*	-
ENV05_1	*of which urban network steam water heating (in kWh)*	*3,449,353*	*5,108,386*	-
ENV05_2	*of which urban network chilled water (in kWh)*	*707,772*	*1,168,621*	-
ENV09	Overall paper consumption *(in metric tons)*	1,859	2,040	Including all paper-based supplies (white paper, calendars, etc.) or cardboard supplies (dividers, file storage boxes, etc.) with the exception of the cardboard packaging of these supplies (included in waste). 2022 data reviewed.
MEASURES TO REDUCE ENVIRONMENTAL IMPACT AND GREENHOUSE GAS EMISSIONS				
ENV15R	Consumption of purchased recycled paper *(in metric tons)*	360	417	-
ENV15	Recycled used paper as output (waste) *(in metric tons)*	1,836	1,819	-
ENV16	Used toner cartridges recycled after use *(in number)*	12,499	15,752	-
ENV20	Business travel – vehicle fleets *(in kilometers)*	30,406,139	30,557,491	-
	of which motor fleet – number of kilometers in gasoline vehicle	*14,597,247*	*14,780,981*	-
	of which motor fleet – number of kilometers in diesel vehicle	*4,492,291*	*9,330,360*	-
	of which motor fleet – number of kilometers in hybrid vehicle	*11,189,517*	*6,345,722*	-
	of which motor fleet – number of kilometers in electric vehicle	*127,082*	*100,428*	-
	Business travel – Excluding motor fleet (in kilometers)	27,523,454	22,180,577	2022 data reviewed.
ENV23	*of which business travel with personal vehicle (in kilometers)*	*9,737,550*	*7,155,175*	-
ENV18	*Business travel by plane (in kilometers)*	*3,339,849*	*2,828,105*	*2022 data reviewed.*
ENV19	*Business travel by train (in kilometers)*	*13,060,054*	*11,233,572*	*2022 data reviewed.*
ENV24	*Business travel by public transport (excluding train) (in kilometers)*	*797,224*	*632,308*	-
	Business travel by rental car and taxi (in kilometers)	*588,777*	*331,410*	-
ENV32K	Number of km avoided by videoconferences	111,180,782	113,882,980	
ENV34	Digitized documents *(in metric tons of paper avoided)*	2,937	2,779	-
ENV47	Amount of provisions and guarantees for environmental risk	-	-	-
ENV48	Amount of compensation paid during the fiscal year in execution of a court decision in environmental matters and claims for compensation for damage caused by it	-	-	-

3.7.2 Measures taken to develop and preserve biodiversity (ENV50)

Biodiversity commitments of Crédit Mutuel Alliance Fédérale

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. 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 has been approved by act4nature international [2], a recognized initiative establishing a standardized approach for making voluntary commitments related to biodiversity.

Contribution of sectoral policies to reducing biodiversity loss

Through its sectoral policies (see paragraph 3.7.6), CIC 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 CIC'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.

CIC'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, CIC'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 and will be binding on CIC.

Other business line commitments in favor of biodiversity

At the level of its business lines, CIC is already participating in the preservation of biodiversity through its actions and commitments to combat climate change (see paragraphs 3.7.3 and 3.7.6). Social and environmental criteria are taken into account when financing major projects (compliance with protected areas) and in the investments made by Crédit Mutuel Equity and its subsidiaries. Through the France Invest charter, these entities are committed to promoting the implementation of best practices in the protection of ecosystems and biodiversity in companies.

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 and the 30% Club France Investor Group.

Some funds can contribute to the preservation of biodiversity, such as CM-AM Global Climate, which has the Greenfin label and invests in companies actively involved in the fight against global warming. CM-AM Sustainable Planet, an SRI-labeled fund, contributes to the environmental transition by selecting companies that are innovative in terms of ecological transition and that generate sustainable growth. The CM-AM Green Bonds fund, labeled Greenfin, finances green projects with at least 85% invested in green bonds.

CIC contributes internally to the protection of biodiversity through its purchasing policy (use of recyclable paper, use of green products for the household), the reduction of resource consumption (water management, digitization of documents) and recycling (paper, ink cartridges, recovery of used phones from customers in branches). This protection of biodiversity can also be reflected in the management of its real estate assets (green areas, installation of beehives or vegetable gardens on building roofs).

(1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

(2) https://www.act4nature.com/en/committed-companies-since-2020/.

Partnerships

In addition, CIC also participates in the preservation and development of biodiversity through partnerships:

Beneficiaries	Objectives	Partners
Fondation Bassin Nature	Support the development of activities that contribute to the implementation of the management plan of the Arcachon Bay Natural Marine Park in the areas of marine ecosystem protection, knowledge, sustainable development of sea-related activities, awareness-raising and environmental education, the protection and transmission of cultural heritage related to the sea.	CIC Sud Ouest (founding member)
Voies Navigables de France	Replanting trees along the Canal du Midi.	CIC Sud Ouest
Fondation de la Mer	Contributing to the study and protection of the ocean by supporting numerous initiatives and developing its own programs to protect biodiversity, combat pollution, support research, educate and raise awareness, etc. Renewal of the partnership in 2022 to support a future innovation program to preserve the seas and oceans.	Banque Transatlantique
Cœur de Forêt	Support the MASOALA park reforestation project in Madagascar.	CIC Lyonnaise de Banque
Research and conservation work	Association Beauval Nature.	CIC Ouest

Through its participation in the societal dividend, CIC also contributes to the actions carried out by Crédit Mutuel Alliance Fédérale *via* its Foundation and the Fonds de Révolution Environnementale et Solidaire. Thus, 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. And the Fonds de Révolution Environnementale et Solidaire committed €363 million to support four initial structuring projects with a high environmental impact in 2023.

3.7.3 Reducing the carbon footprint of CIC's activities (ENV51)

3.7.3.1 Carbon footprint of the corporate financing portfolio

Most of the CO2 emissions produced by the activities of Crédit Mutuel Alliance Fédérale entities, including CIC, are generated by 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 its revised strategic plan, Crédit Mutuel Alliance Fédérale is strengthening its environmental ambitions and committing to reduce the carbon footprint of its corporate credit portfolio by 15% by 2023 [1]. 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 CIC scope covered by greenhouse gas data, published or calculated by proxy, represents around 1,700 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

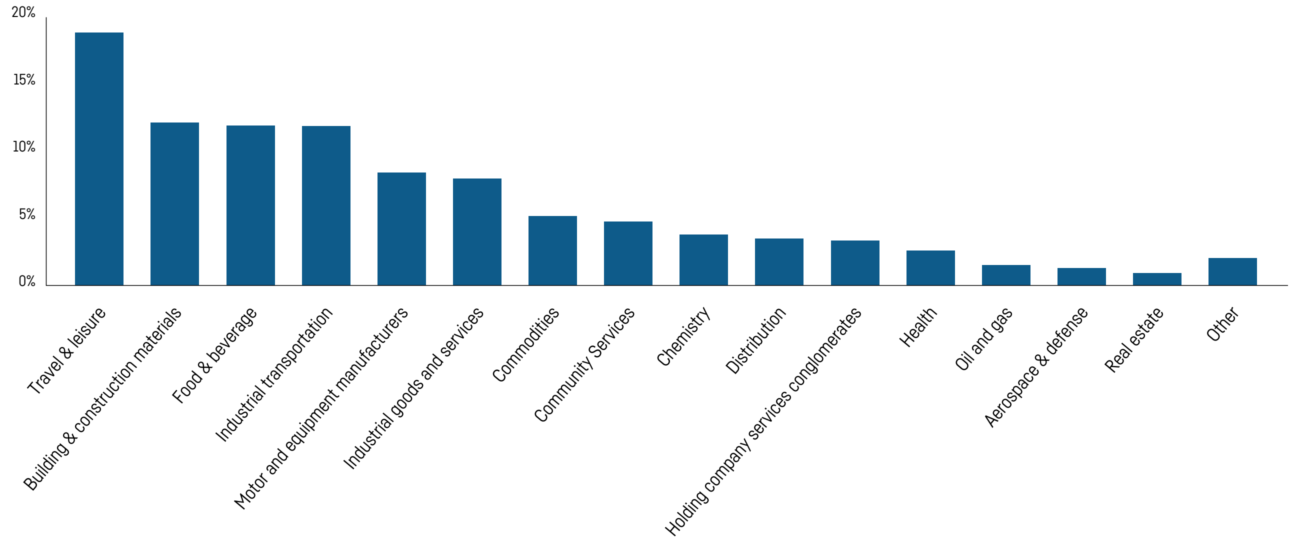
The carbon footprint of CIC financing fell by 8.2% between 2022 and 2023 on the basis of a broader scope (+16% of counterparties covered). This decline is mainly due to a drop in outstandings in certain sectors that are more carbon-intensive than average (such as construction), but also to lower emissions by counterparties.

(1) The objective is calculated on the basis of the results of the 2018 fiscal year, the reference year, for the Crédit Mutuel Alliance Fédérale portfolio.

CARBON FOOTPRINT OF CIC'S CORPORATE FINANCING PORTFOLIO

	2023	2022
Carbon footprint *(tCO_2/€m lent)*	163.2	177.8
Carbon intensity of the portfolio *(total emissions/total revenue)*	121.9	151.2
Weighted average carbon intensity *(Portfolio weight * Carbon intensity)*	300.9	273.1

SECTOR BREAKDOWN OF CIC'S CARBON FOOTPRINT



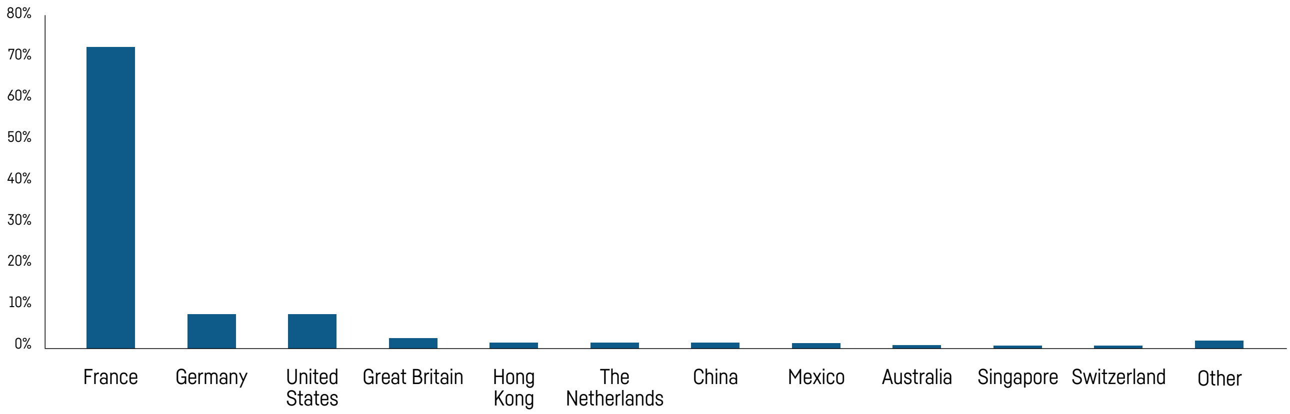
The most emissive sectors are travel and leisure (including airlines), building and construction materials, agri-food and industrial transportation, which together account for 55% of the portfolio's carbon footprint.

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 sector (linked, among other things, to the fact that more companies from this sector were integrated into the calculation this year).

CARBON FOOTPRINT OF CIC'S CORPORATE FINANCING PORTFOLIO

Segment	% in the hedged portfolio	% in the carbon footprint
Travel & leisure	6.8%	18.9%
Building & construction materials	10.3%	12.1%
Agri-food and beverages	11.5%	11.9%

GEOGRAPHICAL BREAKDOWN OF THE CIC CARBON FOOTPRINT



In 2023, the improvement in portfolio coverage mainly benefited French companies. The share of French companies increased to 71.9% of the carbon footprint of the analyzed portfolio in 2023 (*vs.* 70.3% in 2022).

3.7.3.2 CIC is signatory of the Poseidon Principles (ENV44)

CIC is a signatory to the Poseidon Principles for the decarbonization of maritime transport. These provide for the integration of climate assessment criteria in lending decisions in the shipping industry. The Poseidon Principles 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 International Maritime Organization (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 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 target of falling 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%.

3.7.4 Adapting to the consequences of climate change (ENV53)

Supporting customers in the climate change transition, whether on a personal basis or through their professional activities, and developing high-impact climate finance (renewable energies) [1] are strong responses by CIC to the consequences of climate change.

3.7.4.1 Retail customer support (SOT59)

This support takes the form of financing offers for the energy renovation of homes, financing and insurance offers which promote eco-mobility, savings products and responsible services.

Concerning housing

Energy saving work or work related to renewable energies can, in particular, be financed by the interest-free eco-loan, for certain works aimed at improving the energy performance of the main residence, and more broadly by the Sustainable Development Loan. These outstandings amounted to €227.3 million and €21.5 million respectively at December 31, 2023.

CIC offers the Avance Rénovation loan, which aims to support homeowners in the energy renovation of their properties identified as poorly insulated homes (homes classified as “F” or “G” on the energy performance diagnostic scale). This loan will supplement existing public aid. It will be repayable upon the disposal of the property or the death of its occupant. Interest is repaid over time or upon maturity. Thus, households, particularly the most modest, will benefit from a solution to reduce their energy bill and gain comfort without weighing too much on their budget in the short and medium term.

In addition, CIC offers home insurance that covers renewable energy systems (heat pumps, geothermal, aero thermal, photovoltaic solar panels, etc.) along with the property on which they were installed. Civil liability cover is also provided for electricity production in the event of the resale of electricity when photovoltaic panels are declared. In addition, to combat the planned obsolescence of household appliances, repair rather than replacement is encouraged under the five-year warranty extension option.

As regards prevention, natural disasters (flooding, mudslides, avalanches, landslides, land subsidence) are covered by the multi-risk home insurance contracts offered.

As regards means of transport

Eco-Mobility offers with favorable conditions are provided for hybrid or electric vehicles and attractive conditions for gasoline-powered vehicles without an ecological penalty. The same applies to the financing of Electrically-Assisted Bicycles. In 2023, CIC launched a zero-interest bicycle loan for individuals and professionals. Loans granted amounted to €10.9 million at the end of December.

Crédit Mutuel Leasing’s production of lease financing for all types of hybrid and electric vehicles increased by 44% between 2022 and 2023.

In terms of motor insurance, the offers include several benefits for policyholders who favor more sustainable modes of transport: the Avantage Mobilités (Mobility Advantage) provides policyholders free coverage for travel to and from work, even if they use public transport or bicycles, by automatically extending the driver’s physical damage cover to these modes of transport. The Taxi Covoiturage (Carpool Taxi) benefit also promotes eco-sharing by providing, in the event of the car being immobilized, a taxi to continue the journey, which the policyholder can carpool as driver or passenger. In addition, the -6,000 km option makes it possible to apply an advantageous rate to policyholders who choose to limit the usage of their car every year. In addition, in the case of electric vehicles, car insurance coverage is extended to the battery and power cable. Specific bicycle insurance is also offered to cover theft, breakage and bodily injury for bicycles (conventional and electric).

Lastly, with regard to services, work support solutions for energy renovation, the supply of renewable energy and the charging of electric vehicles are offered.

3.7.4.2 Assisting professionals and companies

CIC supports the ecological and energy transition of companies and professionals.

It organizes awareness-raising activities, such as those carried out this year in the Île-de-France region, in order to draw the attention of entrepreneurs to future ecological standards and constraints and to offer them concrete avenues for adaptation: establishing a diagnosis, defining an action plan, financing solutions and support.

Thus, the Prêt Transition Énergétique (Energy Transition Loan) at a subsidized rate finances investments dedicated to energy saving and high energy performance. Its outstandings at December 31, 2023 amounted to €630 million.

In the region, the year's production for financing renewable energies for businesses and professionals totaled €120 million. 87% of this financing was for biogas plants and photovoltaic farms.

Furthermore, professionals and companies benefit from specific financing offers in long-term leasing for the acquisition of hybrid, electric and public transportation vehicles.

A policy of support for farmers has been defined [2] in order to assist them in their agro-ecological transition: experts accompany them in their renewable energy equipment projects with financing operated by the Prêt Transition Agricole (Agricultural Transition Loan), launched in 2022. This loan is eligible for INAF (*Initiative nationale pour l’agriculture française*) and Alter’NA (*Fonds régional de la Nouvelle Aquitaine* and the European Investment Fund – EIF) guarantees and benefits from subsidized refinancing. For prevention, crop insurance is also offered to farmers to enable them to continue their activity in the event of climatic hazard either from multiple perils (drought, hail, storms, frost, excess water) or from hail and storms.

(1) *As a reminder: target of +30% in financing with a high climate impact (renewable energies) over the duration of the 2019-2023 strategic plan, ensemble#nouveaumonde, plus vite, plus loin ! (together#today’s world, faster, further!).*

(2) *See paragraph 3.7.6 on the agricultural sectoral policy.*

For large and medium-sized companies, there are also loans with interest rates indexed to the achievement or not of sustainable development objectives in terms of environmental, social and/or governance (ESG), previously defined in the agreement. The support for companies in relation to the energy transition is also reflected in partnerships with competitiveness clusters. Thus, CIC Ouest is a partner of the Pôle Mer Bretagne Atlantique competitiveness cluster, whose objectives include:

- promoting research into clean technologies to further develop the naval sector while respecting the environment;
- helping shift fishing and aquaculture toward a reasoned activity based on a better understanding of biological resources;
- promoting balanced and integrated coastal development.

Crédit Mutuel Equity and its subsidiaries also participate in the development of projects that promote adaptation to climate change by investing in companies that wish to transform themselves to be environmentally friendly or whose products and services improve energy efficiency (manufacture of biomass boilers, building renovation, decarbonization of freight transport, new technologies, etc.).

3.7.4.3 Project funding in renewable energy (SOT60) [1]

In addition to infrastructure and telecom financing, in 2023 CIC's project financing department 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.

All projects financed strictly comply with the environmental standards of the host country. They are also subject to an internal assessment procedure that includes the ESG criteria described in the vigilance plan (section 3.9.3.3).

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 (renewable energies). This objective initially concerns the corporate banking activity, through project financing. At end 2023, the increase is 79.6%.

A number of these projects contributed to the issuance of a first green bond in 2020 and a second [2] in 2021 by Banque Fédérative du Crédit Mutuel (BFCM) for a cumulative amount of €1.5 billion.

3.7.4.4 Transition funds

In asset management, the group's management companies are mobilizing through their signed commitments (see 3.4.1.3.1).

CIC offers its investors funds with the SRI or Greenfin label, such as:

- the Greenfin-labeled CM-AM Global Climate Change fund is an international equity fund focusing on the climate transition. Its management philosophy is based on four sustainable growth investment themes: sustainable mobility, renewable energies and energy efficiency, preservation of ecosystems and actors of change;
- the European SRI-labeled CM-AM SustainablePlanet [3] fund invests in companies that pay attention to the environmental footprint of their production methods and the "green" added value of their products and services as well as to their governance and social issues; this fund was awarded 4 out of 5 leaves by Climetrics and is therefore well positioned in the transition to a low-carbon economy;
- the CM-AM Green Bonds fund, Article 9 SFDR and Greenfin accredited, finances projects in favor of the energy and ecological transition by investing in green bonds in compliance with the Green Bonds Principles.

(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 CM CIC Project Financing portfolio.*

(2) *Information available at https://www.bfcm.creditmutuel.fr/fr/programmes/obligations-vertes-et-sociales.html.*

(3) *Previously named CM-AM Objectif Environnement.*

3.7.5 Climate risk management (ENV52)

In a world increasingly concerned with combating climate change and environmental degradation, CIC is pursuing Crédit Mutuel Alliance Fédérale's commitment to take climate imperatives into account in the conduct of all its activities in order to join the trajectory of the Paris Climate Change Agreement. The aim is to limit the increase in temperatures to between 1.5 and 2°C by 2100.

The management of risks connected to climate change (physical risk and transition risk) is integrated into the financial risk management system (see section 3.3 "Non-financial risks and opportunities"). The projects developed are presented to the Risk Committee (executive body) and then to the Risk Monitoring Committee (deliberative body) and are part of the strategic risk monitoring, in direct contact with the Chairman and Executive Management [1].

CIC participates in achieving the ambitious climate objectives of the group's policy, which consists of:

- financing projects with a significant impact on the climate (renewable energies);
- assisting companies in transforming their business models;
- adding more environmental requirements to the rules for providing financing;
- aligning sectoral policies to combat the use of carbon and conventional and unconventional hydrocarbons by means of the climate strategy;
- including direct and indirect impacts of climate risk of the group's activities in Crédit Mutuel Alliance Fédérale's risk mapping [2].

Climate risks are also analyzed within the framework of operational risks and their consequences can be minimized thanks to the PUPA (*Plan d'urgence et de poursuite de l'activité* – Emergency and Business Continuity Plan).

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, CIC 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 risks are specifically monitored as part of CIC's risk appetite framework.

Two climate and environmental risk indicators have been included in CIC's 2024 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 CIC customers operating in these sectors. Alert thresholds and risk appetite limits are set according to CIC's risk appetite, with corrective action taken 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 and country limits

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 country limits. These limits consist of capping the exposure level 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 [3] – 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

Stress tests are carried out at Crédit Mutuel Alliance Fédérale level. Please refer to the latter's Non-Financial Performance Statement.

Taxonomy

CIC is not responsible for a Taxonomy report. On the other hand, in application of European Commission regulation (EU) 2020/852, Crédit Mutuel Alliance Fédérale publishes its balance sheet exposures to sectors eligible for the Taxonomy regulation. Please refer to Crédit Mutuel Alliance Fédérale's Non-Financial Performance Statement.

(1) Refer to the governance section - Risk Management chapter of CIC's universal registration document.

(2) See section 3.3.

(3) https://gain.nd.edu/.

3.7.6 Sectoral policies (ENV44)

CIC participates in the development of the group's sectoral policies and oversees their implementation. These policies are part of the ESG risk management system (see section 3.9.3.3). These sectoral policies aim to define a scope of intervention for CIC and to set criteria 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. Sector policies and their changes are systematically submitted to the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM and CIC for approval.

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 existing risk monitoring system presented to the Risk Committee (executive body) and the group Risk Monitoring Committee (deliberative body).

Specific analysis grids have been created for the business sectors subject to sectoral policies. These documents are completed by the teams examining credit applications and presented to the Commitment committees.

Integration of ESG criteria in lending

Since 2022, CIC 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 company's maturity with regard to environmental, social and governance issues;
- 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 establish 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 created at the level of each regional bank and at the corporate banking level. A consultative body, this committee is tasked with issuing opinions on projects that are likely to raise social, environmental or governance issues at the end of the analysis carried out. Referral to the CSR Committee is compulsory for cases receiving a grade below a certain threshold, or in the context of serious controversy. This committee 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, CIC entities promote ethical business relationships and complement financial analysis of companies with an analysis of their non-financial performance. Valuing customers' non-financial performance is a factor in CIC's commitment to financing environmental transition. This opens up a dialogue with customers, to better support them in their sustainable growth projects, in line with CIC's environmental and social strategy.

Focus on sector policies

Coal Policy

1/ 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, the CIC will no longer support companies whose:

- annual coal production exceeds 10 megatons;
- coal-based installed capacity exceeds 5 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.

CIC 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 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.

(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.*

The unconventional hydrocarbons used to calculate this threshold are as follows:

- shale oil or shale gas;
- oil from bituminous sands;
- heavy [1] and extra heavy oil [2];
- deep-water oil [3];
- oil extracted in the Arctic [4];
- coal bed methane.

From July 1, 2024, to reinforce its commitment to decarbonizing the economy, CIC will step up its demands on oil and gas-producing energy companies: CIC will cease all intervention [5] with energy companies that continue to develop new oil or gas exploration and production projects [6]. This development will be analyzed through the year-on-year evolution of the company's oil and gas production: 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, CIC 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, CIC 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, Crédit Mutuel Alliance Fédérale companies, including CIC, 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 Policy

The aim of this policy is to limit financing to low-carbon assets. It covers air transport (airline financing, aircraft acquisition financing), maritime transport (shipbuilding and dismantling financing) and road transport (vehicle financing).

1/ Air transport

CIC will reserve its 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. CIC limits its financing to companies whose average fleet age does not exceed 15 years, reduced to 12 years from 2025.

2/ Maritime transport

As a signatory of the Poseidon Principles in 2019, CIC has set itself the target of falling below the International Maritime Organization (IMO) curve, based on the initial trajectory presented in 2021, by 2025, as part of its maritime transport policy. CIC excludes the financing of all vessels transporting oil and dedicated to the transport of unconventional gas.

3/ Road transport

CIC 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.

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.

CIC 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: asbestos mining, small-scale mining, critical impact on a protected area or a Ramsar-listed wetland, UNESCO World Heritage site.

Civil Nuclear Energy Policy

This policy governs operations and advice provided to companies in the civilian nuclear sector. CIC 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 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.

CIC 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.

3

(1) Density between 22.3° to 10° API (American Petroleum Institute).

(2) Density less than 10° API.

(3) Deep-water oil: deep-water oil, which refers to exploration, development and production operations of offshore, the depth of which exceed 5,000 feet (1,500m).

(4) 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 km^2.

(5) 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.

(6) Production is based on the company's annual publications.

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 environmental 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, strengthens the lending decision-making system of banking transactions for the agricultural market.

This approach promotes the agro-ecological transition and asserts a constructive dialogue with farmers to better support them in their projects.

Other sectoral commitment applying to Crédit Mutuel Alliance Fédérale entities including CIC

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.

3.8 GOVERNANCE

Since the adoption of a *Ensemble, écouter et agir* (Listening and acting together) *raison d'être* and the status of benefit corporation for CIC in 2020, a Mission Committee monitors the execution of these missions and reports, at least once a year, to the Board of Directors on the proper execution and follow-up of its work. An independent body verifies the implementation of social and environmental objectives. Its opinion is attached to the Mission Committee's report.

Please refer to the Corporate governance chapter of this universal registration document.

CIC HOLDING COMPANY

Indicators publication	Title	2023	2022
GOUV01	Number of members on the Board of Directors or Supervisory Board	8	8
GOUV02	Number of women on the Board of Directors or Supervisory Board	5	5
GOUV9-01	Number of directors on the Board of Directors by age group	8	8
GOUV9-02	< 40 years	1	0
GOUV9-03	40/49 years	0	0
GOUV9-04	50/59 years	4	4
GOUV9-05	> 60 years	3	4
GOUV25	Total turnover rate of boards during the year (new members elected out of total members)	38%	25%
GOUV26	Board attendance rate	84%	95%

3.9 VIGILANCE PLAN

3.9.1 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, including CIC and its subsidiaries.

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, which can be consulted on the dedicated website [1].

3.9.2 Presentation of the vigilance plan

3.9.2.1 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.

3.9.2.2 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,
  - 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 CIC (subsidiaries and employees) 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 (asbestos, etc.), travel, psycho-social risks (aggression, external violence, occupational exhaustion or burn out, harassment and internal violence, stress, suicide), etc.

(1) *https://www.cic.fr/fr/banques/institutionnel/publications/responsabilite-societale-de-l-entreprise.html.*

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).

3.9.2.3 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 its employees,
  - on customers *via* the activity, financing granted, investments made, products and services offered,
  - 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.

3.9.3 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.

3.9.3.1 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, 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 (by experts) 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 of waste.

The mapping is likely to evolve as progress is accomplished in each area.

3.9.3.2 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 by 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. Thus, at Euro-Information, suppliers have been classified into categories, the main ones being "essential" and/or "sensitive" suppliers. This classification is made within the framework of the rules relating in particular to the identification of the outsourcing of services according to the rules defined by the group. For the bidding process, 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 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 (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 [2] 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.

(1) Gross risk is defined without taking into account the control environment.

(2) National Council on Private Security Activities (Conseil national des activités privées de sécurité).

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 banking or business line entity 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.

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 a general outsourcing policy, which sets out the framework for the system, 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, 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 supervision: 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 is signed for each essential outsourced activity.

3.9.3.3 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 code of 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.

CIC 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, CIC has adopted a security charter concerning personal data management, which is published on its website.

In 2023, 67% of CIC employees (SOT105) fully completed an e-learning course on the GDPR (General Data Protection Regulation) 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 IT security. Thus, based on the ISO 27001:2017 standard, an Information Security Management System (ISMS) is deployed on all of the production sites. The ISO 27001:2017 standard provides a framework for implementing, maintaining and improving an ISMS over time. The ISMS takes into account the external and 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.

Security is permanently 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. The detection and response to security incidents is carried out through the Security Control Tower. A Red Team was created 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 [2] applications which was close to 100% in 2023 (SOT102);
- the number of IT claims costing more than €1,000 (331 claims in 2023) (SOT103).

Employees are also trained and made aware of the most common frauds and the ethics rules applicable especially to the use of IT tools and e-mail, *via* internal training courses and information available on 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.

(1) General Data Protection Regulation.

(2) TP: Transaction Processing – major applications used by the banking network and customers.

e) Fragile or vulnerable customers

CIC's policy is in line with that of Crédit Mutuel Alliance Fédérale, which 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 actions implemented and having the most impact 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 two 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 (marketed at a price of 1 euro since August 1, 2022).

In 2023, as in previous years, CIC 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 to persons with disabilities, a public accessibility register 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, CIC has more than 2,000 ATMs installed in all the regions where it operates, of which 99% are accessible to the visually impaired.

Account statements in Braille are available. CIC 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 video-conference 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 CIC 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 cic.fr site is indicated on the home page.

In another area, CIC 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

CIC 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 in order to find the solution best suited to their situation *(level 1)*;
- the customer relationship department if they are not satisfied with the answer provided *(level 2)*;
- the mediator, only after all internal remedies have been investigated by the bank and provided that the dispute falls within its remit *(level 3)*.

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 CIC website;
- claim information leaflets available at branches.

The group has chosen to use a single tool for recording and managing claims to facilitate follow-up and keep audit trails. Since December 2020, this tool has evolved to integrate the new classification of claims and 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. 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. In January 2019, the "group complaints" department was created, which reports directly to the Deputy Chief Executive Officer of Crédit Mutuel Alliance Fédérale and the Deputy Chief Executive Officer of CIC, in order to manage claims and coordinate the customer relations departments of the various entities. In early 2020, this system was strengthened by the creation of Crédit Mutuel Alliance Fédérale Customer Claims Committee. This committee defines the actions to be implemented based on a comprehensive qualitative and quantitative analysis of the claims and 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.

h) Mediation process (SOT74)

Consumer mediation, in place 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-cic.fr/. 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 are formalized and published on the Internet to define the modalities of intervention for activities in the mining, coal, hydrocarbons, mobility, defense and security, civil nuclear energy and agricultural sectors, and apply to CIC entities.

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 which aim to promote of 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 parameters including social, environmental and ethical 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

(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 CM CIC Project Financing portfolio.

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. 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.

Responsible and sustainable finance

On March 10, 2021, the European SFDR regulation came into force. It requires financial market participants and financial advisors who provide investment advice or insurance advice on insurance-based investment products, regardless of the design of the financial products and the target market, to publish written policies on the integration of sustainability risks and to ensure the transparency of such integration.

As part of its financial savings offerings, CIC offers investment advisory and insurance advisory services.

To meet this obligation for all the entities concerned, including CIC, Crédit Mutuel Alliance Fédérale has defined a general policy on the integration of sustainability risks and the consideration of negative sustainability impacts in investment and insurance advice.

This policy is available on CIC website.

In addition, the regulation requires 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 environmental, governance and social approach. Investors can thereby 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. 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.

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 for most of the range to eventually meet 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.

A delegation of authority was signed by the buyers of Euro-Information reminding them of the respect linked to obligations in terms of sectoral purchasing policy.

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 with 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 and CSR non-compliance risks (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 December 1, 2022. It 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 CIC's head offices and business lines. Since 2020, its scope has been extended to all Crédit Mutuel Alliance Fédérale entities in France and abroad, including CIC's. The dedicated ETHIK tool was enriched 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, which has been 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, 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

CIC contributes to Crédit Mutuel Alliance Fédérale’s commitment as part of its 2019-2023 strategic plan *ensemble#nouveaumonde !* (together#today’sworld), to reduce its internal carbon footprint in France by 30%. Accordingly, a methodical energy management approach was put in place (ISO 5001 certification issued by AFNOR in 2020 and confirmed in 2021).

As a result of 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.). The percentage of digitized documents in the banking network, depending on the type of document, ranges from 82.8% to 98.2% as at the end of December 2023;
- waste management: “collection of used printer cartridges” procedure, selective sorting mechanism (paper recycling, recovery of used batteries, etc.);
- reducing digital consumption: in 2023, the Clean Your Desk operation invited employees to optimize their digital carbon footprint by reducing and deleting files and cleaning up e-mail. 3,862,955 files were deleted, saving 3,793Go.

3.9.3.4 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 CIC's French entities in early 2023.

3.9.3.5 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 2022" code of conduct

The 2023 assessments saw sustained participation of 98.2% of the 3,866 Crédit Mutuel Alliance Fédérale 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 care.

Monitoring of self-training modules

In addition, in 2023, 74% of the distance learning courses on ethics that mention the fight against corruption were completed by CIC employees (SOT104). In addition, with regard to the fight against money laundering and the financing of terrorism, 67% of the first-level training courses and 90% of the in-depth training courses were completed by CIC employees in 2023. 98% 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.

(1) Concerning the Option to Report, the monitoring indicator, overseen by the compliance department, is not published for reasons of confidentiality.

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 CIC banks and Banque Transatlantique, the number of claims in 2023 was 12,728. In the case of claims from CIC's banking network, level 2 handled 0.44 claims per 1,000 customers.

With regard to mediation, the number of referrals to the group's mediator increased by 15% in 2023. The number of admissible cases (eligible for mediation) increased by 9% and represented 33% of referrals in 2023 compared to 34% in 2022.

Fragile customers

At December 31, 2023, 7,861 customers were benefiting from the Basic Banking Service and 21,844 from the Fragile Customer Offer (OCF).

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.

SRI

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.

La Française Group's 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.

For funds managed by BLI (Banque de Luxembourg Investments), total assets under management at December 31, 2023 break down as follows:

- Art. 9 funds: €150 million;
- Art. 8 funds: €11.1 billion.

3.9.4 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, CIC 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.

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/2017/3/27/2017-399/jo/texte
Sectoral policies	https://www.cic.fr/fr/banques/institutionnel/publications/responsabilite-societale-de-l-entreprise.html

3.10 METHODOLOGICAL NOTE

The production of CSR indicators is part of a desire to understand and report on the behavior and contributions of CIC entities to society in general.

CIC uses the measurement and reporting methodology initially developed, and updated, by a national working group on social and environmental responsibility bringing together the various Crédit Mutuel regional federations and the main subsidiaries of Crédit Mutuel group.

This methodology organizes the rules for collecting, calculating and consolidating indicators, their scope, and the controls performed.

The approach adopted in the methodology is based in particular on:

- Article 225 of the Grenelle 2 law as amended by the Order of July 19, 2017, and the Decree of August 9, 2017, following the transposition of the European Directive of October 22, 2014, on the disclosure of non-financial information;
- the Order of July 12, 2017, respecting various measures to simplify and clarify the information obligations of the company;
- the NRE Act;
- Article 173 of the energy transition for green growth law;
- the law of March 27, 2017 pertaining to the responsibility of parent companies and initiating companies;
- the Sapin 2 law of December 9, 2016 on transparency, anti-corruption and the modernization of the economy;
- the preparation of greenhouse gas emissions assessments (Decree 2011-829 of July 11, 2011);
- the ILO;
- the guiding principles of the OECD;
- the Global Reporting Initiative (GRI);
- the Global Compact;
- the Principles for Responsible Investment (PRI);
- the French Financial Management Association – Forum for Responsible Investment (AFG-FIR) transparency code;
- the Inter-Union Employee Savings Plan Committee (CIES) certification;
- public certification (SRI);
- the Finansol certification for solidarity products;
- regular discussions with stakeholders.

Reference periods for data collected

The data correspond to the calendar year. In some cases, they may refer to a previous fiscal year (for microloans) or be subject to reporting on a rolling year basis and in this case be subject to a note.

Scopes and main management rules

Social indicators

The entities included in the scope are:

- CIC métropole;
- consolidated French banks and subsidiaries (including the counters of CIC Lyonnaise de banque Monaco);
- Banque de Luxembourg and its subsidiary Banque de Luxembourg Investments (BLI). In 2021, the two subsidiaries of Banque de Luxembourg BLI and Conventum Asset Management merged under the BLI banner. Conventum Asset Management was not within CIC's consolidated scope.

This scope represents 95% of CIC group workforce consolidated for accounting purposes.

The corporate data comes from the group HR information system, except for Banque de Luxembourg and its subsidiary BLI.

The majority of workforce indicators are expressed in terms of registered employees.

They incorporate all types of employment contracts, including summer auxiliary contracts and contracts for AFB service employees not subject to collective bargaining agreements.

For employees trained in transformation, this is the scope of Cap Compétences including, the Federations of Crédit Mutuel Alliance Fédérale, the 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

The scope includes the banking network, Banque Transatlantique and Banque de Luxembourg.

The figures are based on the CGW management control group information system, except for microloan data (source: Adie, France Active Garantie and Initiative France), data tracked by the savings department of Euro-Information Développement (donations to associations (LEA), and data on mediation from the SARA tool).

The patronage budget was monitored by the various entities.

Environmental indicators

The scope is as follows:

- CIC métropole;
- consolidated French banks and subsidiaries;
- Banque de Luxembourg and its subsidiary BLI;

Data:

- consumption of electricity and gas for heating and cooling from urban networks: 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 CIC buildings and in particular at the branch level, 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 m2 multiplied by the surface area of the building). In most cases, published data covers the period from November 1 of year n-1 to October 31 of year n;
- 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 the Crédit Mutuel group;
- 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 traveled 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.

3

Exclusions

With regard to the activities of CIC, the following subjects are not published in this statement:

- sustainable use of resources and land;
- actions to combat food waste;
- fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable nutrition;
- actions to promote the practice of physical and sports activities (law No. 2022-296 of March 2, 2022).

3.11 CROSS-REFERENCE TABLE

Articles R.225-105 and L.225-102-1 of the French Commercial Code	CIC indicators included in the CSR report (text and tables)
Business model	BM
Non-financial risks	R/O
Policies implemented/results of these policies	R/O
1° SOCIAL INFORMATION:	
a) Employment:	
■ total workforce and breakdown of employees by gender, age, status (manager/non-manager), type of contract and geographic area	SOC01_bis, SOC01, SOC05 to SOC08, SOC12 and SOC88 to SOC105
■ hires and layoffs	SOC13 to SOC17, SOC19, SOC20, SOC27
■ compensation and its evolution	SOC73, SOC80 and SOC107 to SOC109
b) Work organization:	
■ organization of work time	SOC29 to SOC32
■ absenteeism	SOC38 to SOC40
c) Health and safety:	
■ health and safety conditions at work	SOC45
■ occupational accidents, notably their frequency and severity, as well as occupational illnesses(1)	SOC40
d) Labor relations:	
■ organization of social dialog, notably the procedures for informing and consulting employees and negotiating with them	SOC78, SOC87
■ review of collective agreements, notably as regards occupational health and safety	SOC83, SOC84
e) Training:	
■ policies implemented for training, in particular with regard to the protection of the environment	SOC46, SOC47, SOC122,ENV37, ENV43
■ total number of training hours	SOC50
f) Equal treatment:	
■ measures taken to promote gender equality	SOC56, SOC59 to SOC63
■ measures taken to promote the employment and integration of people with disabilities	SOC68, SOC70, SOC71
■ anti-discrimination policy	SOC69
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	ENV01 to ENV03, ENV52, ENV56
■ resources devoted to the prevention of environmental risks and pollution	ENV44
■ 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	ENV47 *
b) Pollution:	
■ measures to prevent, reduce or repair air, water and soil discharges that seriously affect the environment	ENV32K, ENV37
■ consideration of any form of pollution specific to an activity, especially noise and light pollution	ENV45
c) Circular economy:	
■ waste prevention and management	ENV39
■ prevention, recycling, reuse, other forms of recovery and waste disposal	ENV39, ENV43
■ actions to combat food waste	-
■ sustainable use of resources	ENV39
■ water consumption and water supply based on local constraints	ENV04, ENV39
■ consumption of raw materials and measures taken to improve efficiency in their use	ENV09, ENV15R, ENV39, ENV43
■ energy consumption, measures taken to improve energy efficiency and the use of renewable energies	ENV05 to ENV08, ENV40
■ land use	-

Articles R.225-105 and L.225-102-1 of the French Commercial Code	CIC indicators included in the CSR report (text and tables)
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	ENV18 to ENV20, ENV23, ENV37, ENV51
■ measures taken to adapt to the consequences of climate change	ENV38, ENV39, ENV52, ENV53
■ voluntary medium- and long-term reduction targets to reduce greenhouse gas emissions and the resources used for that purpose	ENV56
e) Protection of biodiversity:	
■ measures taken to preserve or restore biodiversity	ENV50
3° SOCIETAL INFORMATION	
a) Societal commitments to promote sustainable development:	
■ impact of the company's activity on employment and local development	SOT01, SOT09, ENV53, SOT63, SOT65, SOT69
■ impact of the company's activity on neighboring or local populations[2]	SOT16, SOT17, SOT19A, SOT20A, SOT22, SOT23, SOT28LNOV to SOT37LCIES, SOT39, SOT40, SOT74, SOT75, SOT77, SOT78, SOT86
■ relations maintained with the stakeholders of the company and terms of dialog with them	SOT44, SOT45
■ partnership or patronage actions	SOT52, SOT53, SOT57
b) Subcontracting and suppliers:	
■ consideration of social and environmental issues in purchasing policy	SOT81
■ consideration in relations with suppliers and subcontractors of their corporate social responsibility	SOT81
c) Fair practices:	
■ measures taken to promote consumer health and safety	SOT80, SOT102, SOT103, SOT105

Additional Information

1° INFORMATION ON THE FIGHT AGAINST CORRUPTION:	
■ actions undertaken to prevent corruption	SOT79, SOT101, SOT104
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	SOC67, SOC78
■ the elimination of discrimination in terms of employment and occupation	SOC64
■ the elimination of forced or compulsory labor	SOC65
■ the effective abolition of child labor	SOC66
b) Other actions undertaken to promote human rights	**SOT82**
3° OTHER INFORMATION	
Societal commitments to promote:	
■ the fight against food insecurity	NC
■ respect for animal welfare	NC
■ responsible, fair and sustainable food	NC
■ Nation-army bond	NC
■ commitment to the reserves	NC
■ physical and sporting activities	SOT95
■ people with disabilities	SOC68, SOC70, SOC71
Direct and indirect greenhouse gas emissions linked to upstream and downstream transport activities	ENV60
Action plan to reduce emissions (use of rail and river modes, biofuels and electromobility)	ENV61

(1) The frequency and severity of workplace accidents are not reported explicitly, but the data needed for the calculations are published.
(2) CIC expresses its territorial impact through its local presence. However, its activity has no impact on local populations.

3

3.12 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 mentioned 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 six persons, 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 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 Commercial Code is not included;
- we verified that the Statement contains the information provided in Section II of Article R.225-105 where relevant 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;
- we verified that the Statement includes a clear and reasoned explanation of the reasons justifying the absence of a policy concerning one or more of these risks in accordance with paragraph I of Article R.225-105 of the French Commercial Code;

(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: CIC Lyonnaise de Banque;
- we verified that the Statement covers the consolidation scope, *i.e.* all the 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 18% and 35% of the consolidated data selected for these tests (18% of the workforce, 23% of financing authorizations for renewable energy projects and 35% of energy consumption);
- 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 digital training plan, including the Digital Passport. ■ Actions taken to promote gender equality. ■ Actions to encourage employee engagement.
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 reduce credit portfolios' carbon footprint. ■ Integration of ESG criteria in the granting of financing and the application of sectoral policies. ■ Climate risk management actions in the credit portfolio via limits and alert thresholds by country.

3.13 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

Mission Committee report

April 2024

Let's build for the world to change.

CIC

EDITORIAL

This annual report shows the progress made since CIC became a benefit corporation. Three years later, we note an even greater pride of employees 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, parent company of CIC, 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 Crédit Mutuel Alliance Fédérale's 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

CONTENTS

ON COURSE FOR 2027: TOGETHERNESS, PERFORMANCE, SOLIDARITY

Looking back three years, what does being a benefit corporation change?

Daniel Baal: For CIC, adopting the status of a benefit corporation has been a powerful lever for accelerating our solidarity commitments. 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 Crédit Mutuel Alliance Fédérale 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 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 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 and employees?

Nicolas Théry: Customers are also citizens who are increasingly pushing companies to transform their models. They are asking for tangible proof of their commitment. Likewise, employees expect a meaningful company project, capable of giving life to their commitment in a dynamic and modern way. It is not a question of setting out major principles. Our commitments are therefore extremely tangible in order to change daily life and build in a changing world. 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 model, as a subsidiary of Crédit Mutuel Alliance Fédérale. Because we rely on our employees, 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

22,000 employees

5.7 million customers

1,750 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 launch year full of initiatives, the Societal Dividend will be fully implemented as part of Crédit Mutuel Alliance Fédérale's 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 and its subsidiary CIC are putting their financial performance at the service of collective utility.

KEY FIGURES

€**439**m

12.5% of net income

In 2023, CIC, 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.**

CIC 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 Societal Dividend has also made it possible to allocate 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 and its subsidiary CIC are developing solidarity bancassurance services to promote the inclusion of all, with support for ecological transformation and special support for their most vulnerable customers. In 2023, over **€8 million** have been committed at the level of Crédit Mutuel Alliance Fédérale, of which **over €1 million for CIC.**

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 regional banks and CIC subsidiaries); 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 of which almost **€23 million** by CIC (from the local project supported to very structuring actions led by the Fondation Crédit Mutuel Alliance Fédérale).

THE MISSION COMMITTEE IN ACTION...

CIC and its parent company Crédit Mutuel Alliance Fédérale were the first banks to adopt the status of a benefit corporation, in line with their historical commitments based on 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 CIC'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 independent experts** bringing their outside perspective
- **1/3 of directors** representing customers
- **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, **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 13 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

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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 CIC, artificial intelligence is now used daily by more than 20,000 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 CIC's values.

After defining this trust framework, the group has drawn up an ethics charter based on five founding principles:

PROTECT our customers' 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

20,000 employees use AI on a daily basis within CIC

OUR *RAISON D'ÊTRE: ENSEMBLE, ECOUTER ET AGIR* (LISTENING AND ACTING TOGETHER)

- ***Together,*** because we belong to a mutualist group. It is the power of our collective of women and men, who have carried our values of freedom, democracy and solidarity for nearly 150 years.
- ***Listen,*** because our mission has always been to serve our 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 solidarity 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, customers and, more generally, civil society.

"CIC's actions 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."

Sandrine Pelletier
Chairwoman and Chief Executive Officer of APLIX group and Director of CIC Ouest

"I am particularly proud of the commitment to digital privacy because it not only protects customers' 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!"

Damien Ernst
Deputy Chief Executive Officer of Euro-Information

"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

Marion Cluzeau
Director of the ESG Deployment division, Mutualist Environmental and Solidarity Institute

"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."

"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."

Pascale Ruquet
Head of Diversity and Inclusion

"Fighting against all forms of discrimination is our profession of faith, a constant fight led by all our employees."

Laurent Torre
Director, representing employees

5 MISSIONS TO GUIDE ACTION

MISSION 1

"As a subsidiary of a cooperative and mutualist organization, we support our customers in their best interests"

MISSION 2

"As a bank for all, customers and employees, 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"

CIC, Benefit corporation

Let's change society by changing ourselves.

1

Guarantee to each customer **a dedicated, non-commissioned advisor.**

2

Anchor decision-making centers in the regions with more than **90% of our lending decisions taken at branches.**

3

Invest 5% of our equity mainly **in French companies to promote innovation, growth and employment in our regions.**

4

Insure the home loan of our loyal customers without any medical formalities.

5

Train all our employees **in the fight against discrimination.**

6

Recruit 25% of work-study students **from priority neighborhoods and rural areas.**

7

Defend gender pay equality at all levels of the bank.

8

Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France.

9

Invest productivity gains from artificial intelligence **in employment and development.**

10

Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.

11

Reduce the group's **carbon emissions** by 20% and **the carbon footprint** of our investment portfolios by 12% by the end of 2022.

12

Promote the energy transition by **no longer financing new oil and gas projects.**

13

Commit to customers in financial difficulty with **an account at €1 net per month without any incident fees.**

CIC

Let's build for the world to change.

MISSION 1

SUPPORTING OUR CUSTOMERS IN THEIR BEST INTERESTS

A solidarity-based organization mobilized for the common good, CIC's mission is to support its customers in their best interests.

To this end, the bank maintains a compensation system for advisors based on collective performance criteria, making customer needs its first priority.

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 of Crédit Mutuel Alliance Fédérale group 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.

99.7% of customers benefited
from a dedicated non-commissioned advisor.

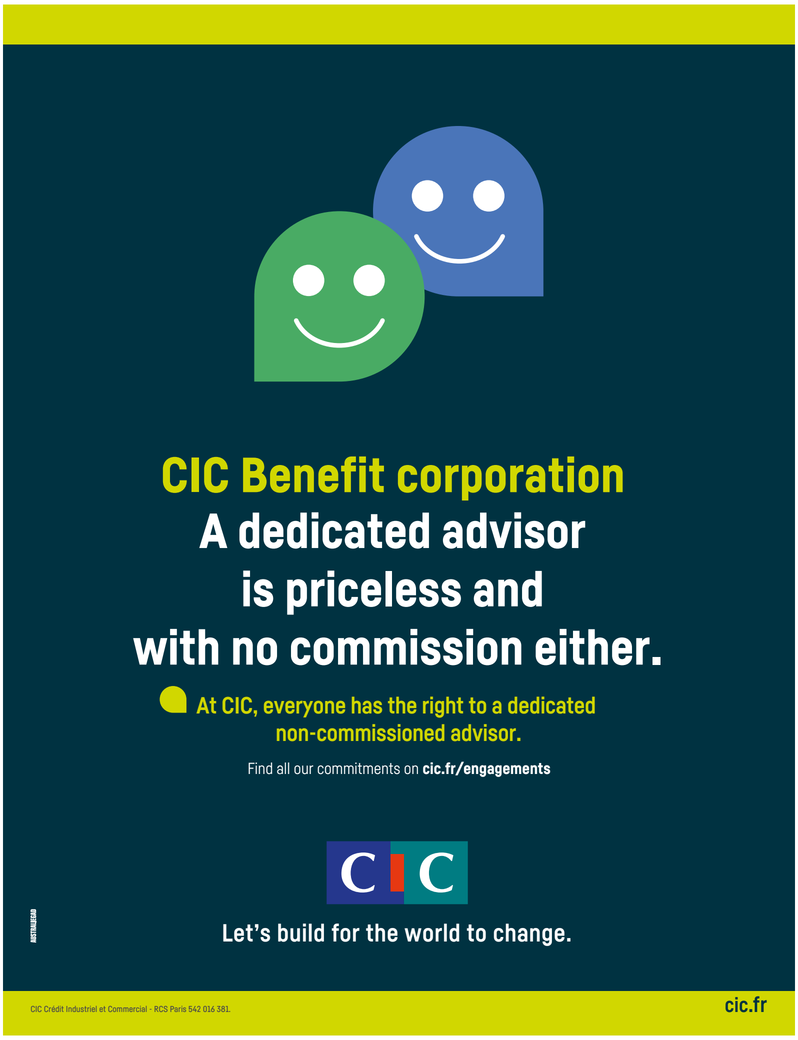
"Anchored in society, at the heart of the economic fabric and associations, employees are united around the values of freedom, responsibility and solidarity. It is important to strengthen their support to carry out their duties under the best possible conditions (training, recruitment, representation, 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 Fédération du Crédit Mutuel
Savoie-Mont Blanc

TRAJECTORY OF OUR OPERATIONAL COMMITMENT

COMMITMENT

Guarantee to each customer a dedicated, non-commissioned advisor



2021

99.8% of customers benefited from a dedicated advisor.

0 commission paid to advisors.

2023

99.7% of customers benefited from a dedicated advisor.

0 commission paid to advisors.

MISSION COMMITTEE OPINION

The trajectory of mission 1 is the right one. The Mission Committee reiterates the importance of promoting the service of a dedicated non-commissioned advisor for each customer, in line with the group's DNA.

MISSION 2

ACTING FOR EVERYONE AND REFUSING ALL DISCRIMINATION

As a bank for all, customers and employees, 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 Crédit Mutuel Alliance Fédérale strategic plan, we have set ourselves the target of more than 75% of employees being proud of their company.

Making differences our greatest asset.

The fight against discrimination first took the form of a national training plan. In 2023, more than 13,950 employees (97.8% of the employees of the CIC and CIC Île-de-France regional banks) 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.

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, 390 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 female network open to all CIC employees 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, CIC 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

"CIC 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

Train all our employees in the fight against discrimination

2022	↗ 2023
96.7% of employees trained in the fight against discrimination	**97.8%** of employees trained in the fight against discrimination

COMMITMENT

Recruit 25% of work-study students from priority neighborhoods and rural areas

2022	2023
542 work-study students recruited of which **43.0%** of work-study students from priority neighborhoods and rural areas.	**558** work-study students recruited of which **33.2%** of work-study students from priority neighborhoods and rural areas.*

COMMITMENT

Defend gender pay equality at all levels of the bank

2022	2023
1,535 employees benefited from a corrective measure.	**390** employees benefited from a corrective measure.

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 A ND INNOVATION AT THE SERVICE OF PEOPLE

Respectful of everyone's privacy, CIC 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 banks to have developed artificial intelligence solutions, Crédit Mutuel Alliance Fédérale and CIC continue to deploy their cognitive and OCR (optical character recognition) tools in all their business lines for the benefit of customer relations. In 2023, more than 2.6 million hours were freed up on administrative tasks in the networks, which were reinvested in commercial relationships. 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 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.

In an increasingly digital world, data protection is a priority for French people. Crédit Mutuel Alliance Fédérale, parent company of CIC, 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 Conseil d'Analyse Économique (CAE)

TRAJECTORY OF OUR OPERATIONAL COMMITMENTS

COMMITMENT

Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France

2021	2023
> **99.9%** of processing performed on infrastructure hosted in the company's data centers.	> **99.9%** of processing performed on infrastructure hosted in the company's data centers.

Crédit Mutuel Alliance Fédérale group indicators.

COMMITMENT

Invest productivity gains from artificial intelligence in employment and development

2021	↗ 2023
Productivity gains equivalent to **900** FTE	Productivity gains equivalent to **1,671** FTE
Job retention with **1,596** permanent hires.	Job retention with **2,584** permanent hires.*

Crédit Mutuel Alliance Fédérale group indicators.

"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 3. 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, CIC's mission is to contribute to regional development.

Thanks to its decentralized organization, the committed bank acts in an appropriate and efficient manner to meet the needs of its customers.

As the leading banking partner of associations, CIC 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.

In 2023, **90.4%** of lending decisions are taken locally.

With the Societal Dividend, CIC 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 €300,000 thanks to the 100% reimbursement of their banking package.

Lastly, CIC, through Crédit Mutuel Equity, supports the initiatives and innovative projects of 280 companies. Investing the bank's equity over time with a constant concern for financial, economic, social and environmental impacts, the acquisitions 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, CIC 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 create value and bring these regions to life."

Marie-Jean Boog
Chairwoman of the Sarrebourg district

TRAJECTORY OF OUR OPERATIONAL COMMITMENTS

COMMITMENT

Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches

2021	↗ 2023
89.2% of lending decisions were taken locally within the CIC networks.	**90.4%** of lending decisions were taken locally within the CIC networks.

COMMITMENT

Offer the Pay Asso digital payment solution to our associations and civil liability cover to their managers

2021	2023
100% of eligible associations can benefit from the Pay Asso solution and free Civil Liability plan for Managers.	**100%** of eligible associations can benefit from the Pay Asso solution and free Civil Liability plan for Managers.

COMMITMENT

Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions

2021	↗ 2023
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.*	**5.83%** dof 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.*

Crédit Mutuel Alliance Fédérale group indicators.

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, CIC wants to work for a fairer and more sustainable society.

With its 2024-2027 strategic plan, the solidarity-based and responsible company is strengthening its commitments to the ecological transition and the decarbonization of the economy.

Crédit Mutuel Alliance Fédérale, parent company of CIC, 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 €700,000 were committed in 2023 by CIC with the 0% bicycle loan, which already has more than 3,300 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 Crédit Mutuel Alliance Fédérale 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, CIC 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, CIC 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. 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

TRAJECTORY OF OUR OPERATIONAL COMMITMENTS

COMMITMENT

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.

Crédit Mutuel Alliance Fédérale group indicator.

COMMITMENT

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.**

Crédit Mutuel Alliance Fédérale group indicator.

COMMITMENT

Insure the home loan of our loyal customers without any medical formalities

2021

24,300 beneficiaries.

↗ 2023

Since the launch in 2021, more than **50,300** beneficiaries.

0 medical formality (up to €500,000 per borrower and for policyholders under the age of 62)

COMMITMENT

Commit to customers in financial difficulty with an account at €1 net per month without any incident fees

2021

18,204 beneficiaries.

1st year of this measure as a commitment of the benefit corporation.

↗ 2023

19,929 beneficiaries.

MISSION COMMITTEE OPINION

The Mission Committee congratulates CIC for the achievement of the commitments of mission 5. The trajectory of the group carbon footprint of its parent company Crédit Mutuel Alliance Fédérale 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 subsidiary of a cooperative and mutualist organization, we support our customers in their best interests

Guarantee to each customer a dedicated, non-commissioned advisor. 1

Indicators:	Scope:	Means:
• **2023: 99.7%** of customers assigned to a dedicated non-commissioned advisor. • **2022: 99.7%** • **2021: 99.8%** 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.	French banking network, CIC branches and corporate business centers.	Human resources policy: no commercial incentive or individual variable compensation.

MISSION 2

As a bank for all, customers and employees, we act for everyone and refuse any discrimination

Train all our employees and directors in the fight against discrimination. 5

Indicators:	Scope:	Means:
• **2023: 97.8%** of employees present trained in the anti-discrimination module. • **2022: 96.7%** of employees present.	CIC network and CIC Île-de-France.	• Mandatory training module for all employees. • Mandatory awareness-raising session for Boards of Directors from 2022. • Overhaul of the alert and monitoring system.

Recruit 25% of work-study students from priority neighborhoods and rural areas. 6

Indicators:	Scope:	Means:
• **2023: 33.2%** of work-study students from priority neighborhoods and rural areas. • **2022: 43.0%** • **2021: 38.7%**	CIC.	• Participation in dedicated "job dating" sessions. • Strengthening partnerships with associations. • Testing of new measures to develop integration actions.

Defend gender pay equality at all levels of the bank. 7

Indicators:	Scope:	Means:
• **2023:** The majority of discrepancies having been addressed in 2022, **390** employees benefited, in 2023, from a corrective measure (335 women and 55 men). The indicator monitored is the percentage of average pay gap between women and men by age group and category. • **2022: 1,535** beneficiaries. • **2021: NA**	CIC.	• 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.

3

MISSION 3
Respectful of everyone's privacy, we place technology and innovation at the service of people

Guarantee the privacy of our customers' data by processing 99% of their information in our infrastructures and systems located in France. 8

Group indicators:	Scope:	Means:
• **2023: >99.9%** of data processed in our infrastructures. • **2022: >99.9%** (1st year of implementation).	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.).	• 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 teams.

Invest productivity gains from artificial intelligence in employment and development. 9

Group 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: social base.

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

Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches. 2

Indicators:
- **2023: 90.4%** of loans granted locally.
- **2022: 89.3%**
- **2021: 89.2%**

Scope:
CIC network.

Means:
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).

Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers. 10

Indicators:
- **2023: 100%** of sports and cultural associations benefit from the Pay Asso solution and **100%** of managers of customer sports and cultural associations are eligible for free civil liability coverage.
- **2022: 100%**
- **2021: 100%**

Scope:
CIC network.

Means:
- 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 CIC account holder.
- Free civil liability for directors of sports and cultural associations, up to a ceiling.

Invest 5% of our equity mainly in French companies to promote innovation, growth and employment in our regions. 3

Group indicators:	Scope:	Means:
• **2023: 5.83%** of group shareholders' equity mainly in 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 of 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

Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022. 11

Group indicators:	Scope:	Means:

• **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%**
	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.	• Sectoral policies (coal, mobility, agriculture, hydrocarbons, etc.).
		• Energy sobriety policy (office life and travel).

Promote the energy transition by no longer financing new oil and gas projects. 12

Group indicators:	Scope:	Means:
• **2023: 0** financing of new oil and gas projects. • **2022: 0** • **2021: 0** since October.	Crédit Mutuel Alliance Fédérale group.	Detailed commitment in the hydrocarbon sector policy, available on the website www.bfcm.creditmutuel.fr.

Insure the home loan of our loyal customers without any medical formalities. 4

Indicators:	Scope:	Means:
• **2023: 12,000** beneficiaries. • **2022: 14,000** beneficiaries. • **2021: 24,300** beneficiaries. The situation of many customers was regularized following this measure, which explains the large number of beneficiaries in the first year.	CIC network.	• 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.

Commit to customers in financial difficulty with an account at €1 net per month without any incident fees. 13

Indicators:	Scope:	Means:
• **2023: 19,929** beneficiaries. • **2022: 18,204** beneficiaries. • 1st year of this measure as a commitment of the benefit corporation.	CIC network.	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)
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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 Industriel et Commercial (CIC) 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:

- We note that the social and environmental target "Contributing to regional development" was not achieved by Crédit Industriel et Commercial (CIC) for the 2022 fiscal year due to the non-achievement of the underlying operational target "Anchoring decision-making centers in the regions with more than 90% of our lending decisions made at local banks or branches", for which the result was 89.3%. In addition, the Mission Committee's report for the 2022 fiscal year does specify the reasons why this target was not achieved during the period in question. This comment does not call into question the achievement of Crédit Industriel et Commercial (CIC)'s operational objectives at the end of the 2023 fiscal year.
- 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.

[1] *Cofrac Inspection accreditation, No. 3-1884, scope available on the website www.cofrac.fr.*

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).

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 one week.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. In particular, we conducted around 12 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 make it possible 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 the 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 S.A.

Arnaud Bourdeille
ESG expert

Fanny Houlliot
ESG expert

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CIC – *Société anonyme* (public limited company) with capital of €611,858,064 – 6, avenue de Provence – 75009 Paris Swift CMCIFRPP – Tel.: 01 45 96 96 96 – RCS Paris 542 016 381 – No. ORIAS 07 025 723 (www.orias.fr) Bank governed by Articles L.511-1 *et seq.* of the French Monetary and Financial Code. For transactions carried out in its capacity as intermediaries in insurance transactions (registrations can be consulted under www.orias.fr), insurance policies of ACM VIE SA and ACM IARD SA, companies governed by the French Insurance Code and distributed under the CIC Assurances brand.• **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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To protect loved ones in the event of an everyday accident, and younger children for their school activities, CIC offers a comprehensive range of protection.

CORPORATE GOVERNANCE

KEY FIGURES OF CIC'S GOVERNANCE

EXECUTIVE MANAGEMENT

1 CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER
Mr. Daniel Baal

1 DEPUTY CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER
Mr. Éric Charpentier

1 DEPUTY CHIEF EXECUTIVE OFFICER
Mr. Claude Koestner

THE BOARD OF DIRECTORS

8 DIRECTORS
(voting rights)

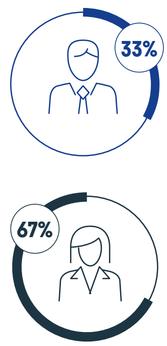
2 CENSORS
(advisory votes)

1 SEC* REPRESENTATIVE
(advisory vote)

4 MEETINGS

97% ATTENDANCE RATE OF DIRECTORS

58 AVERAGE AGE OF DIRECTORS



Data at December 31, 2023.
Scope of attendance rate and average age: directors including directors representing employees.
Scope of parity: directors excluding director representing employees.
** Social and Economic Committee*

4.1 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, Crédit Industriel et Commercial (herein after referred to as CIC) does not refer to the Afep-Medef Code.

CIC 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 in the supervisory bodies with two reservations of interpretation:

- *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 CIC 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 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	2025	GRMC	100%
Catherine ALLONAS-BARTHE *Permanent representative of Banque Fédérative de Crédit Mutuel, director*	68	F	2017	2026	-	100%
Isabelle CHEVELARD *Director*	59	F	2023	2026	-	100%
Gérard CORMORECHE *Director*	66	M	2019	2025	GAAC	75%
Régine KOPP *Director*	55	F	2022	2024	-	100%
Catherine LAMBLIN MESSIEN *Director*	59	F	2021	2024	GRMC	100%
Raïssa HAFIDHOU *Director representing employees*	32	F	2023	2028	-	100%
Philippe LEGER *Director representing employees*	63	M	2023	2028	-	100%
Guy CORMIER *Censor*	54	M	2017	2026	-	0%
Damien LIEVENS *Censor*	53	M	2015	2024	-	100%

(1) Age at 12/31/2023.

(2) CIC is a member of the four specialized committees of Caisse Fédérale de Crédit Mutuel: the Group Risk Monitoring Committee (GRMC), the Group Auditing and Accounting Committee (GAAC), the Appointments Committee, and the Compensation Committee.

During 2023, Catherine Millet's term of office as director and Pascale Girot's and Pascal Rieutort's terms of office as directors representing employees ended.

The composition of CIC's Board of Directors, and in particular the number of directors, changed following its meeting on November 22, 2023 and CIC's Ordinary Shareholders' Meeting on December 8, 2023, which made the following changes with effect from January 1, 2024:

Outgoing directors at December 31, 2023
Nicolas THERY
Gérard CORMORECHE
Régine KOPP
Catherine LAMBLIN MESSIEN

Incoming directors at January 1, 2024
Daniel BAAL, co-opted and appointed Chairman of the Board at the CIC Board of Directors meeting on November 22, 2023
Saïda BERKOUK, appointed at the CIC Ordinary Shareholders' Meeting of December 8, 2023
Monique BOUGHELILBA, appointed at the CIC Ordinary Shareholders' Meeting of December 8, 2023
Hélène DUMAS, co-opted and appointed Vice-Chairman of the Board at the CIC Board of Directors meeting on November 22, 2023
Damien LIEVENS, appointed at the CIC Ordinary Shareholders' Meeting of December 8, 2023
Jean-Louis MAÎTRE, co-opted by the CIC Board of Directors meeting on November 22, 2023
Albert MAYER, appointed at the CIC Ordinary Shareholders' Meeting of December 8, 2023
René SCHWARTZ, co-opted by the CIC Board of Directors meeting on November 22, 2023

With regard to censors, the CIC Board of Directors meeting on November 22, 2023 noted the end of the term of office of Damien Lievens, with effect from December 31, 2023, and appointed Sandrine Crestois Cognard and Francis Singler as censors with effect from January 1, 2024.

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, a representative of the social and economic committee attends meetings of the Board of Directors in an advisory capacity.

Composition of the Executive Management

The Executive Management of CIC is composed of:

- Daniel Baal, Chief Executive Officer and effective manager;
- Éric Charpentier, Deputy Chief Executive Officer and effective manager;
- Claude Koestner, Deputy Chief Executive Officer.

On November 22, 2023, the CIC Board of Directors noted the end of Daniel BAAL's term of office, effective December 31, 2023, and appointed, effective January 1, 2024:

- Éric Charpentier, Chief Executive Officer and effective manager;
- Claude Koestner, Deputy Chief Executive Officer and effective manager.

4.3 POSITIONS AND FUNCTIONS HELD BY THE MEMBERS OF THE MANAGEMENT BODIES

4.3.1 Board of Directors

Nicolas Théry

Born on December 22, 1965
Nationality: French

Business address:
Crédit Industriel et Commercial
6 avenue de Provence
75009 Paris

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 CIC. 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: 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
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
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 du Crédit Mutuel Strasbourg Vosges
Musée Rodin
Coeur Mutuel
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

Catherine Allonas Barthe

Born on January 18, 1955
Nationality: French

Business address:
94/96, boulevard Haussmann
75008 Paris

Summary of main areas of expertise and experience

Catherine Allonas Barthe holds a Master's degree in Mathematics and is a graduate of the École Nationale de la Statistique et de l'Administration Économique (ENSAE).
From 2015 to 2021, she was a member of the Executive Board and Deputy Chief Executive Officer of Groupe des Assurances du Crédit Mutuel, a holding company for insurance companies.
She was also Chief Executive Officer of Assurances of Crédit Mutuel Vie SAM and Chief Operating Officer of Assurances du Crédit Mutuel Vie SA, life insurance companies operating mainly in France, between 2006 and 2021.
Within Groupe des Assurances du Crédit Mutuel, she also held the positions of Finance and Real Estate director and Chief Risk Officer.

Permanent representative of Banque Fédérative du Crédit Mutuel, director
First appointed to the Board: 2017
Term expires: 2026

Other mandates and functions as at December 31, 2023

Director
Crédit Mutuel Impact
Member of the Supervisory Board
Groupe La Française
Member of the Supervisory Board
ARDIAN FRANCE

Terms of office expired over the past five fiscal years

Chairwoman
Foncière Massena
Mutuelles Investissement
Member of the Executive Board – Deputy Chief Executive Officer
Groupe des Assurances du Crédit Mutuel
Chief Executive Officer
Assurances du Crédit Mutuel Vie SAM
Chief Operating Officer
Assurances du Crédit Mutuel Vie SA
Director
Crédit Industriel et Commercial
ACM GIE
Permanent representative of Assurances du Crédit Mutuel Vie SA, director
Serenis Assurances
Covivio
Permanent representative of ADEPI, director
Crédit Mutuel Asset Management
Permanent representative of Placinvest, director
Crédit Mutuel Asset Management
Permanent representative of Groupe des Assurances du Crédit Mutuel SA, director
Groupe des Assurances du Crédit Mutuel Espagne
Permanent representative of EFSA, director
Crédit Mutuel Investment Managers
Permanent representative of Assurances du Crédit Mutuel Vie SA, director
Valinvest Gestion

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 du 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 of Caisse Fédérale de Crédit Mutuel
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 du Sud-Est
Caisse du Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse du 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
Banque Fédérative du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel

Permanent representative of Caisse du 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

Managing Partner

SARL CORMORECHE
SCEA CORMORECHE Jean-Gérard

Censor

Crédit Industriel et Commercial

Régine Kopp

Born on August 14, 1968
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Régine Kopp holds a Master's degree in Business Law and a post-graduate diploma in Corporate Law. Régine Kopp began her career as a writer in the external relations department of SANEF until 1994, and then continued as a local attaché acting as secretary general of a town hall. She was Chairwoman of the Social Life Council of the EHPAD "Les Jardins de Saint Jacques" from 2015 to 2022. Since 2018, she has been the Managing Partner of SCI MAGICK. Since 2011, she became a director of the Caisse du Crédit Mutuel Pays d'Albe et du Ham, and became its Chairwoman in 2018. In 2022, she obtained the university diploma of Mutualist Bank Director.
In 2022, she became Chairwoman of the Sarreguemines district, director of Fédération du Crédit Mutuel Centre Est Europe, director of CIC and member of the Supervisory Board of Banque Européenne du Crédit Mutuel.

Director
First appointed to the Board: 2022
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors

Caisse du Crédit Mutuel Pays d'Albe et du Ham

Chairwoman of the Supervisory Board

Cautionnement Mutuel de l'Habitat

Director and Chairwoman of the Sarreguemines District

Fédération du Crédit Mutuel Centre Est Europe

Member of the Supervisory Board

Banque Européenne du Crédit Mutuel

Managing Partner

SCI MAGICK

Terms of office expired over the past five fiscal years

Chairwoman

EHPAD "Les Jardins de Saint Jacques"

Director

Caisse du Crédit Mutuel Pays d'Albe et du Ham

Catherine Lamblin Messien

Born on August 17, 1964
Nationality: French

Business address:
Crédit Mutuel Nord-Europe
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: 2021
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chairwoman of the Board of Directors
Caisse du Crédit Mutuel de Cambrai

Vice-Chairwoman of the Board of Directors
Caisse Régionale du Crédit Mutuel Nord Europe
Fédération du Crédit Mutuel Nord-Europe

Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Banque Fédérative du Crédit Mutuel
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)

Isabelle Chevelard

Born on February 12, 1964
Nationality: French

Business address:
TARGOBANK AG
Kasernenstr 10
40213 Düsseldorf

Summary of main areas of expertise and experience

Isabelle Chevelard began her career in 1988 at BNP Paribas, as head of the marketing department, before holding various positions in the networks, general inspection and sales departments. In 2006, she joined the group's IT Executive Committee before being appointed, in 2010, director of the France Network, Chairwoman and Chief Executive Officer and director of Cetelem's France Network entities. In 2015, Isabelle Chevelard became a strategy consultant with her company, Isabelle Chevelard Conseil. She joined the Crédit Mutuel Alliance Fédérale group in 2016 as a project manager reporting to Executive Management before becoming Group Human Resources director in 2017. In the same year, she was appointed member of the Supervisory Board of Cofidis and Cofidis Group.

In 2020, Isabelle Chevelard was appointed Chairwoman of the Executive Board of TARGOBANK AG and TARGO Deutschland GmbH. In 2023, she joined the Board of Directors of CIC.

Isabelle Chevelard holds a post-graduate degree in Management from IAE Grenoble, and also from Institut d'Etudes Politiques/*Université de Grenoble*.

Director
First appointed to the Board: 2023
Term expires: 2026

Other mandates and functions as at December 31, 2023

Chairwoman of the Executive Board
TARGOBANK AG
CM Pensiontrust e. V.
TARGOBANK Stiftung

Member of the Executive Board
TARGO Deutschland GmbH
TARGO Factoring GmbH
TARGO Leasing GmbH

Chief Executive Officer
TARGO Dienstleistungs GmbH

Member of the Supervisory Board
Cofidis
Cofidis Group

Member
Advisory Board of NRW.BANK

Terms of office expired over the past five fiscal years

Chairwoman of the Board of Directors
CIC Sud Ouest

Chairwoman of the Management Committee
Cap Compétences – Activateurs de Talents

Permanent representative of CIC, director
CIC Lyonnaise de Banque

Member
Management committee of Bischenberg

Directors representing employees

Raïssa Hafidhou

Born on September 24, 1991
Nationality: French

Business address:
8 rue de la République
69001 Lyon

Summary of main areas of expertise and experience

With a degree in Negotiation and Customer Relations, Raïssa Hafidhou began her career as a banking advisor with CIC Lyonnaise de Banque. In 2018, she became retail customer relationship manager, a position she currently holds.
Raïssa Hafidhou was appointed director representing employees for the first time in 2023 at CIC Lyonnaise de Banque and CIC.

Director representing employees
First appointed to the Board: 2023
Term expires: 2028

Other mandates and functions as at December 31, 2023

Director representing employees
CIC Lyonnaise de Banque

Terms of office expired over the past five fiscal years

Nil

Philippe Léger

Born on July 19, 1960
Nationality: French

Business address:
31 rue Jean Wenger-Valentin
67000 Strasbourg

Summary of main areas of expertise and experience

Philippe Léger holds a BTS in technical sales and a CESB in asset management, and joined CIC Est in 1999 as a social engineering account manager. In 2009, he became a private manager, before taking over the role of social engineering account manager in 2013 and then wealth advisor in 2016, the position he currently holds.
Philippe Léger was appointed director representing employees for the first time in 2023 within CIC.

Director representing employees
First appointed to the Board: 2023
Term expires: 2028

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

Catherine Millet

Born on July 31, 1960
Nationality: French

Business address:
Centre de Conseil et de Service CCS –
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

A graduate of Hautes Études Commerciales, Catherine Millet began her career in 1983 with Banque Indosuez Paris. In 1990, she joined the trading room of Crédit Industriel d'Alsace Lorraine (now CIC Est) before becoming head of the Caisse Fédérale de Crédit Mutuel International Business Center in 2005. In 2009, she became head of the payment methods department at CM-CIC Services. From 2013 to 2022, she served as Chief Executive Officer.

Director
First appointed to the Board: 2017
Term expires: 2023

Other mandates and functions as at December 31, 2023

Nil

Terms of office expired over the past five fiscal years

Chairwoman
Filaction
Sole Director/Chief Executive Officer
Centre de Conseil et de Service – CCS
Member of the Supervisory Board
Cofidis Group
Cofidis
Euro-Information Production
TARGOBANK AG
TARGO Deutschland GmbH
Chairwoman of the Management Committee
CMCIC Centre de Services et de Traitement
Chairwoman of the Board of Directors
Cemice Servicios España (CSE)
Member of the Management Board
Centre de Conseil et de Service – CCS
Euro Télé Services
Euro-Information Développements
Director
AXXES
Euro Automatic Cash
Permanent representative of Banque Fédérative du Crédit Mutuel, Chairwoman
Sofedis
Permanent representative Banque Fédérative du Crédit Mutuel, member of the Management Board
Euro-Information
Permanent representative of CCS, member of the Management Board
Euro-Information Épithète
Permanent representative of Impex Finance, director
CIC Est

Pascal Rieutort

Born on September 3, 1972
Nationality: French

Business address:
Crédit Industriel et Commercial
6 avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Pascal Rieutort holds a BTS in commercial action and began his career as a sales representative for VEDIORBIS. In 1998, he joined Crédit Agricole de La Brie where he became a customer advisor.
He joined CIC Ouest in 2003 as a retail customer relationship manager. In 2022, he became director representing employees at CIC.

Director representing employees
First appointed to the Board: 2022
Term expires: 2023

Other mandates and functions as at December 31, 2023

Nil

Terms of office expired over the past five fiscal years

Nil

Pascale Girot

Born on September 19, 1960
Nationality: French

Business address:
Place de la Halle
60300 Senlis

Summary of main areas of expertise and experience

Holder of a DEUG in law, Pascale Girot began her career in 1982 as an advisor at Crédit Lyonnais, where she worked until she joined SNVB in 1999 and then HSCB in 2002. In 2004, she joined CIC Nord Ouest as a branch manager and now holds the position of Savings and Wealth Advisor. Since 2018, she has also been a special advisor to the Labor Tribunal of Creil.
In 2016, she became a director representing employees on the Board of Directors of CIC Nord Ouest and in 2020, a director representing employees on the Board of Directors of CIC.

Director representing employees
First appointed to the Board: 2020
Term expires: 2023

Other mandates and functions as at December 31, 2023

Labor tribunal advisor
Labor Tribunal of Creil

Terms of office expired over the past five fiscal years

Director representing employees
CIC Nord Ouest

4.3.2 Executive Management

Daniel Baal

Born on December 27, 1957
Nationality: French

Business address:
Crédit Industriel et Commercial
6 avenue de Provence
75009 Paris

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 de Crédit Mutuel Centre Est Europe, then director of Caisse du 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 du 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 CIC, 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 and effective manager
First appointed: 2017
Term expires: 2024

Other mandates and functions as at December 31, 2023

Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
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
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:
Crédit Industriel et Commercial
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.

Deputy Chief Executive Officer and effective manager
First appointed: July 28, 2021 effective September 1, 2021
Term of office with unlimited term

Other mandates and functions as at December 31, 2023

Chief Executive Officer
Caisse Régionale and Fédération du Crédit Mutuel Nord Europe
Chief Operating Officer
Banque Fédérative du Crédit Mutuel
Chairman of the Board Directors
Beobank
Banque de Tunisie
Banque 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

4.4 DELEGATIONS OF AUTHORITY GRANTED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS FOR CAPITAL INCREASES CURRENTLY IN USE

Nil.

4.5 REGULATED AGREEMENTS

This part is dealt with in Chapter 7 "Annual financial statements" in the section “Special report of the statutory auditors on regulated agreements” of this universal registration document.

4.6 PREPARATION AND ORGANIZATION OF THE WORK OF THE CORPORATE BODIES

4.6.1 Procedures for holding the Shareholders' Meeting

The procedures for holding CIC Shareholders' Meeting are set out in Articles 18 and 19 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 Crédit Industriel et Commercial was held on December 8, 2023, upon first notice.

4.6.2 Operation of the Board of Directors

Rules of operation of the Board of Directors

The work of the Board of Directors is governed by Title IV 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 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 comprised of no fewer than three and no more than 18 members, who may be natural persons or legal entities, elected for a renewable three-year term.

The Board of Directors also includes two directors representing employees in accordance with the French Commercial Code, elected for a renewable term of six 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 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

CIC attaches great importance to the skills 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

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 CIC 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 key executives, directors and censors of CIC adheres 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 CIC adopted a charter for members of the supervisory bodies – Ethics, conflicts of interest and personal declaration 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, CIC 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 and representation of society

The Copé-Zimmermann Law, No. 2011-103, of January 27, 2011, amended in 2014 and effective January 1, 2017, applies to CIC. When the Board of Directors is composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two [1].

As of December 31, 2023, the CIC Board of Directors had four women out of a total of six members.

The Board can also count on the participation of two directors representing employees.

The diversity of the directors of CIC 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, noted by the CIC Board of Directors on November 22, 2023 and 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 CIC adopted a charter on the diversity policy for the members of the supervisory bodies.

Independence of directors

Some members of the Board of Directors may be classified as independent after a review of their situation by the Caisse Fédérale de Crédit Mutuel Appointments Committee. This review does not take into account the representing employees. 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.

(1) Determination of this difference does not include directors representing employees.

This review must verify that there is no relationship between the director and CIC, 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.

CIC 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 six directors of CIC at December 31, 2023, two directors, *i.e.* 33% of the directors (excluding directors representing employees), are considered independent.

4.6.3 Work of the board in 2023

The Board of Directors meets as often as the company's interests require.

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, 2023

The Board of Directors meeting of February 7, 2023 focused on the following topics in particular:

- presentation of CIC's annual and consolidated financial statements as of December 31, 2022;
- presentation of network activity;
- presentation of specialized business lines and market activities;
- presentation of the proposed dividend for 2023 in respect of 2022;
- key points of Crédit Mutuel Alliance Fédérale's results;
- Group Auditing and Accounting Committee report;
- observation of the statutory auditors;
- approval of the CIC annual and consolidated financial statements as of December 31, 2022;
- summary of the Group Risk Monitoring Committee meetings of January 11 and February 1, 2023;
- relations with regulators;
- update on breaches of the risk appetite framework at September 30, 2022;
- proposed 2023 review of the risk appetite framework;
- presentation of risk monitoring, including interest rate and liquidity risk monitoring;
- regulated agreements;
- CIC contribution to the Crédit Mutuel Alliance Fédérale foundation;
- report of the Compensation Committee of February 1 and 6, 2023;
- co-option of a director.

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;
- Group Risk Monitoring Committee report of March 31, 2023;
- relations with regulators;
- validation of CIC risk mapping;
- CIC ICAAP validation;
- validation of updated credit risk framework;
- risk monitoring as of December 31, 2022;
- information on the acquisition of a building;
- 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;
- report of the Appointment Committee of February 28, March 15 and April, 4, 2023;
- renewal of the censor;
- 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 26, 2023

The Board of Directors meeting of July 26, 2023 focused on the following topics in particular:

- presentation of CIC's consolidated financial statements at June 30, 2023;
- network activities;
- presentation of specialized business lines and market activities;
- information on the end of the Check Image Transfer dispute;
- report of the Group Auditing and Accounting Committee of July 26, 2023;
- approval of CIC's consolidated financial statements at June 30, 2023;
- presentation of Crédit Mutuel Alliance Fédérale consolidated financial statements;
- report of the Group Risk Monitoring Committee of June 28 and July 21;
- 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;
- information on the election of directors representing employees;
- information on the elections of SEC representatives to the Board;
- report of the Compensation Committee of July 24, 2023;
- evolution of the brand signature.

Meeting of November 22, 2023

The Board of Directors meeting of November 22, 2023 focused on the following topic in particular:

- information on CIC's consolidated earnings at September 30, 2023;
- network activities;
- presentation of specialized business lines and market activities;
- capital increase - Banque CIC (Suisse) SA;
- review of CIC's dividend policy;
- information on Crédit Mutuel Alliance Fédérale's consolidated earnings at September 30, 2022;
- Group Auditing and Accounting Committee report of September 29, 2023;
- information on Crédit Mutuel Alliance Fédérale's consolidated earnings at September 30, 2023;
- Group Risk Monitoring Committee report of September 27 and November 17, 2023;
- relations with regulators;
- draft SREP letter for 2023;
- breaches of the risk appetite framework;
- risk monitoring;
- annual newsletter on the ethics system;
- Crédit Mutuel Alliance Fédérale 2024-2027 strategic plan;
- opinion of the social and economic committee on strategic guidelines and validation;
- consideration of a project to transfer CIB activities from CIC and its specialized business line subsidiaries to BFCM;
- reports of the Appointments Committees of September 4 and 18, October 17 and November 17, 2023;
- report of the Compensation Committee of November 20, 2024;
- renewal of the members of the Mission Committee;
- validation of the contribution to Pillar III of the societal dividend;
- governance movements:
  - co-option to Board of Directors, appointment of censors,
  - appointment of a new Chief Executive Officer - effective manager,
  - appointment of a new Chief Operating Officer - effective manager,
  - appointment of a new Chairman, appointment of a Vice-Chairwoman,
  - recording of the results of the elections of directors representing employees.
- convening of an Ordinary Shareholders' Meeting.

4.6.4 Membership in the regulatory committees of Crédit Mutuel Alliance Fédérale

Since joining, after the CIC Board of Directors meeting of November 17, 2017, the Appointments and Compensation Committees of Caisse Fédérale de Crédit Mutuel and, more broadly, all Crédit Mutuel Alliance Fédérale regulatory committees, the umbrella committees of Crédit Mutuel Alliance Fédérale report on their work to the CIC Board of Directors (see paragraph 4.1.6.4 of the corporate governance report of Caisse Fédérale de Crédit Mutuel relating to the committees of the Board of Directors).

4.6.5 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.

4.6.6 Executive Management

Composition and prerogatives of Executive Management

In accordance with Article L.511-58 of the French Monetary and Financial Code, Crédit Industriel et Commercial 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.

4.7 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 aims above all to be reasoned and responsible. It 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 and 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;
- respect for gender equality in terms of pay 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 20, 2023.

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.

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, in particular CIC.

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.

4.8 PRINCIPLES FOR DETERMINING THE COMPENSATION GRANTED TO CORPORATE OFFICERS

Guiding principles

CIC 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 Industriel et Commercial is not concerned by the Say on pay scheme.

Implementation

The officers concerned are the Chairman of the Board of Directors, who is also Chairman of the Board of Directors of Caisse Fédérale de Crédit Mutuel, and the Chief Executive Officer, who is also Chief Executive Officer of Caisse Fédérale de Crédit Mutuel.

On February 7, 2023, the Board of Directors of Caisse Fédérale de 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 these 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 de 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 will be carried out at the Compensation Committee meeting in February 2024.

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 (CET 1) 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).

Ideal for learning how to manage money while building up savings that remain available, CIC offers 12-25 year-olds the *Livret Jeune* passbook account.

5 RISKS AND CAPITAL ADEQUACY - PILLAR 3

INTRODUCTION

The purpose of CIC 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 supplements are 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.

CIC, 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.

CIC 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.

KEY RISKS INDICATORS AND CAPITAL ADEQUACY

	2021	2022	**2023**
CET1 ratio	12.9%	12.7%	**12.7%**
Leverage ratio	4.9%	4.3%	**4.7%**
LCR ratio[1]	149.3%	121.6%	**149.1%**
NSFR ratio	112.6	106.1%	**107.4%**

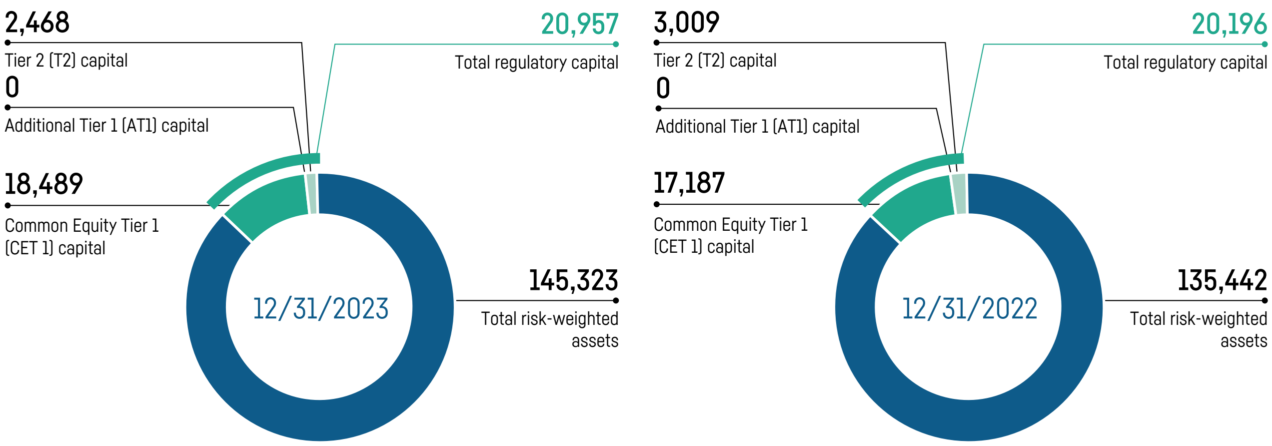
(1) Average LCR.

5.1 KEY FIGURES

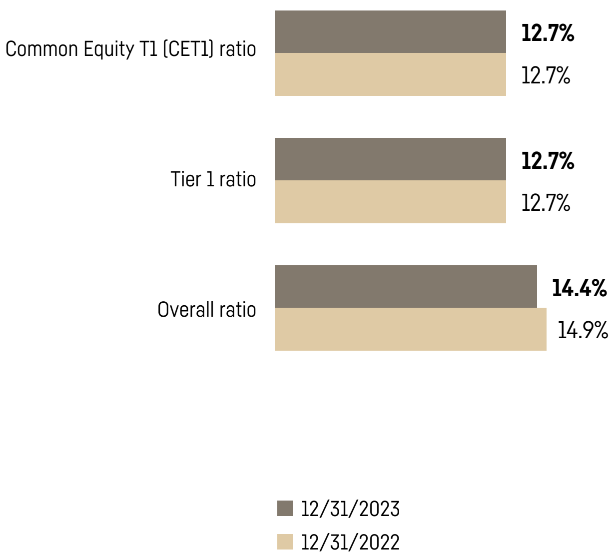
5.1.1 Solvency

Solvency ratio

GRAPH 1: REGULATORY CAPITAL AND WEIGHTED RISKS *(IN € MILLIONS)*



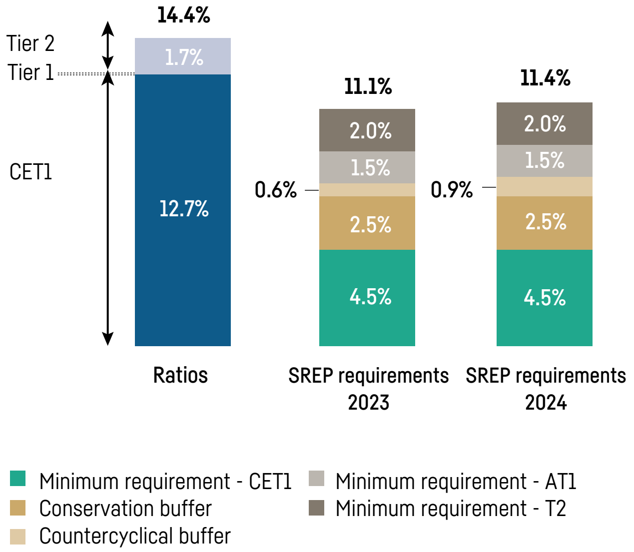
GRAPH 2: SOLVENCY RATIOS



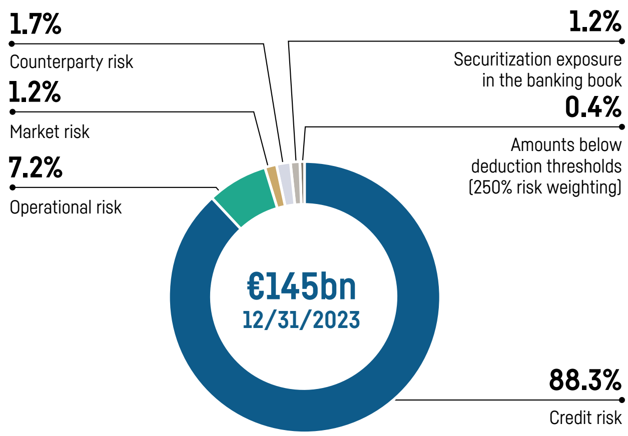
GRAPH 3: REGULATORY REQUIREMENTS AND SOLVENCY RATIOS

Since March 1, 2019, CIC no longer has any capital requirements under Pillar 2.

According to the HCSF decision of September 26, 2023, France's countercyclical capital buffer will be 1% from January 2, 2024.



GRAPH 4: RISK-WEIGHTED ASSETS (RWA) BY TYPE OF RISK *(PERCENTAGE)*



Credit risk

GRAPH 5: EXPOSURES AT DEFAULT (EAD) BY CATEGORY *(PERCENTAGE)*

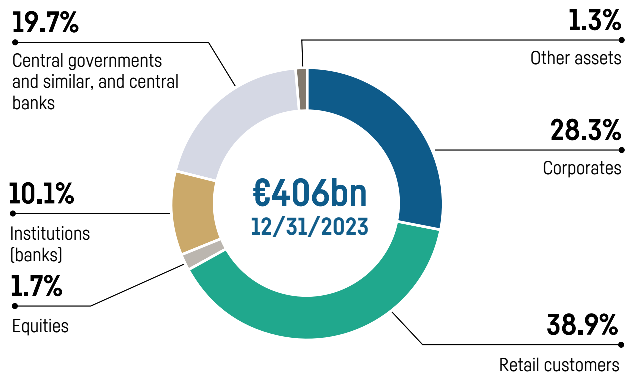


TABLE 1: EXPOSURES AT DEFAULT (EAD) BY GEOGRAPHIC AREA

(in € millions)	12/31/2023	12/31/2022
Europe zone	**358,166**	**361,751**
France	336,312	339,811
Germany	3,065	2,793
Other countries	18,789	19,146
Rest of World	**47,504**	**46,630**
United States	12,226	14,166
Other countries*	35,278	32,463
TOTAL EAD	**405,670**	**408,380**

Excluding counterparty risk and securitization exposures in the banking book.
The Europe zone corresponds to the countries of the European Union.

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* 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	1	0	1	11	0	11
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[2]	**50**	**46**	**4**	**11**	**0**	**11**

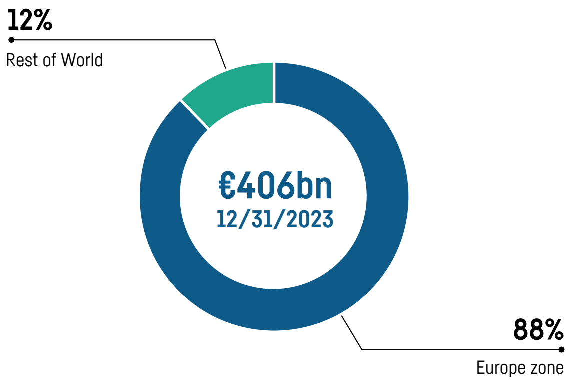
(1) BPI France counter-guarantee.
(2) Exposures to these two countries represent approximately 0.01% of CIC's total exposures.

12/31/2022 *(in € millions)*	Ukraine			Russia		
	EAD before substitution	Guarantee received[1]	EAD	EAD before substitution	Guarantee received[1]	EAD
Retail customers	3	0	3	13	0	13
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	3	0	3
Equities	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
TOTAL EXPOSURES[2]	**73**	**66**	**7**	**16**	**0**	**16**

(1) BPI France counter-guarantee.
(2) Exposures to these two countries represent approximately 0.02% of CIC's total exposures.

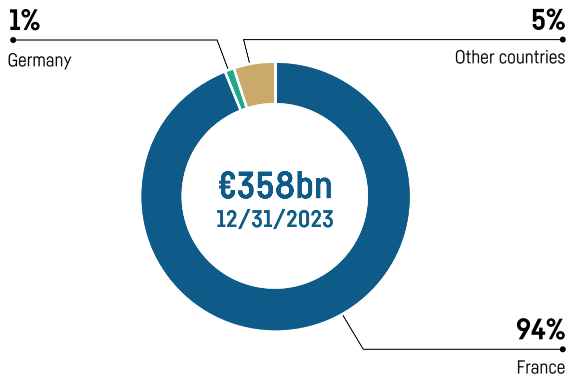
GRAPH 6: EXPOSURES AT DEFAULT (EAD) BY GEOGRAPHIC AREA *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



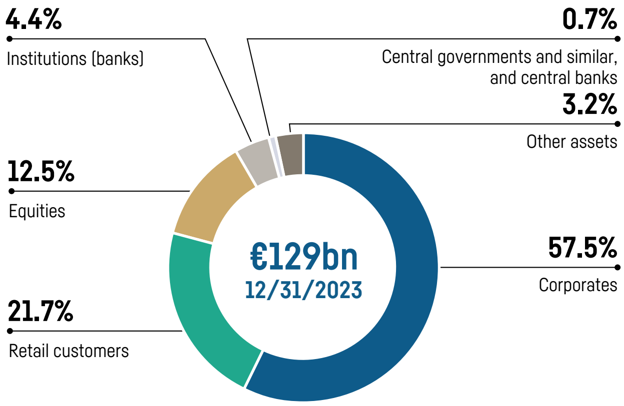
GRAPH 7: EXPOSURES AT DEFAULT (EAD) BY GEOGRAPHIC AREA – EUROPE *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



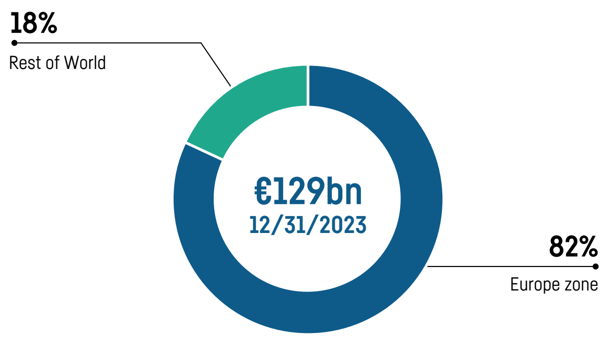
GRAPH 8: RISK-WEIGHTED ASSETS (RWA) BY CATEGORY *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



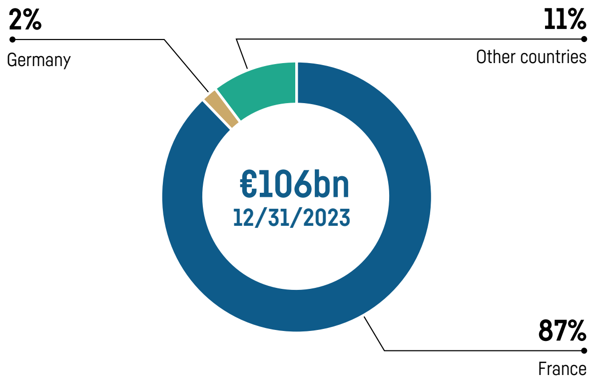
GRAPH 9: RISK-WEIGHTED ASSETS (RWA) BY GEOGRAPHIC AREA *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



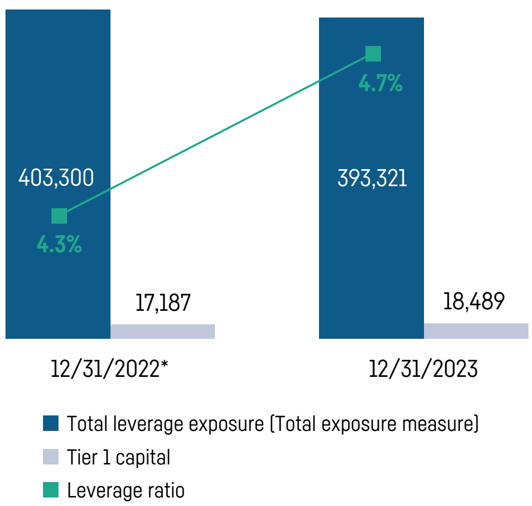
GRAPH 10: RISK-WEIGHTED ASSETS (RWA) BY GEOGRAPHIC AREA – EUROPE *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



Leverage ratios

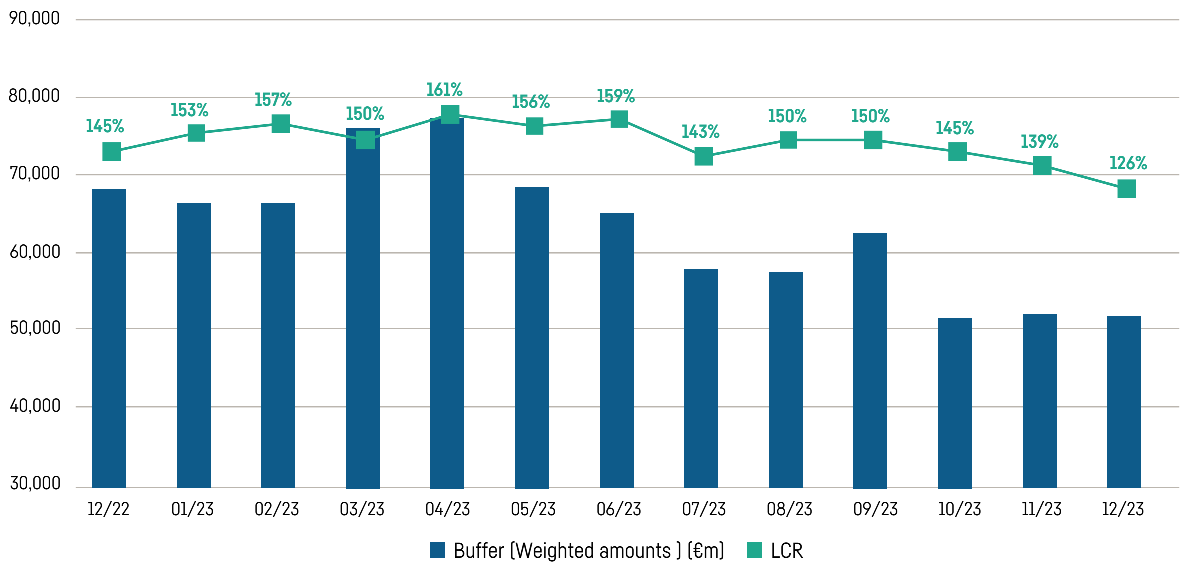
GRAPH 11: LEVERAGE RATIO



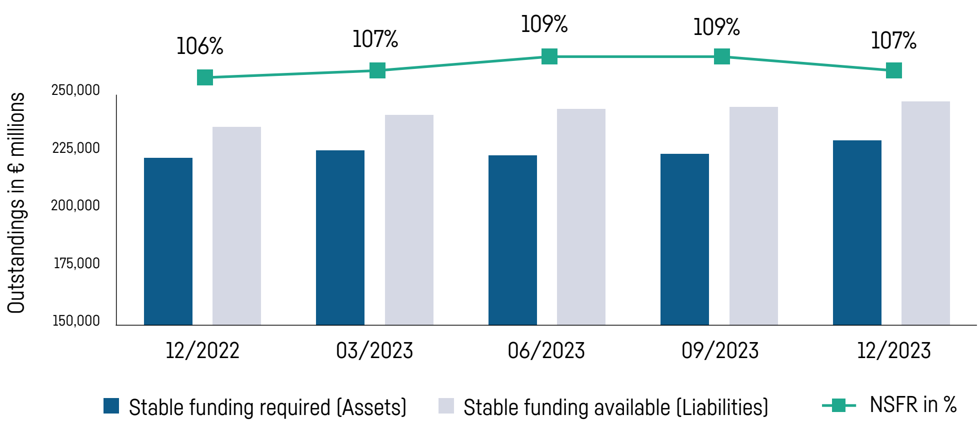
** Includes the temporary exclusion of central bank exposures in view of the COVID-19 epidemic according to Article 429 bis of the CRR2 which ended in June 2022.*

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	18,489	18,020	17,974	17,462	17,187
2 – Tier 1 capital	18,489	18,020	17,974	17,462	17,187
3 – Total equity	20,957	20,673	20,635	20,256	20,196
RISK-WEIGHTED ASSETS					
4 – Total amount of risk-weighted assets	145,323	141,722	139,268	138,993	135,442
CAPITAL RATIOS (AS A PERCENTAGE OF THE RISK-WEIGHTED EXPOSURE AMOUNT)					
5 – Common Equity Tier 1 capital ratio	12.7%	12.7%	12.9%	12.6%	12.7%
6 – Tier 1 capital ratio	12.7%	12.7%	12.9%	12.6%	12.7%
7 – Total equity ratio	14.4%	14.6%	14.8%	14.6%	14.9%
ADDITIONAL SREP CAPITAL REQUIREMENTS (PILLAR 2 REQUIREMENTS AS A PERCENTAGE OF RISK-WEIGHTED ASSETS)					
EU 7a – Pillar 2 capital requirements	n/a	n/a	n/a	n/a	n/a
EU 7b – of which: to be met with CET1 capital	n/a	n/a	n/a	n/a	n/a
EU 7c – of which: to be met with Tier 1 capital	n/a	n/a	n/a	n/a	n/a
EU 7d – Total SREP capital requirements	9.5%	8.0%	8.0%	8.0%	8.0%
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 *(in %)*	n/a	n/a	n/a	n/a	n/a
9 – Countercyclical capital buffer	0.5%	0.4%	0.4%	0.1%	0.1%
EU 9a – Systemic risk buffer *(in %)*	n/a	n/a	n/a	n/a	n/a
10 – Buffer for global systemically important institutions *(in %)*	n/a	n/a	n/a	n/a	n/a
EU 10a – Buffer for other systemically important institutions *(in %)*	n/a	n/a	n/a	n/a	n/a
11 – Total buffer requirement	3.0%	2.9%	2.9%	2.6%	2.6%
EU 11a – Total capital requirements	12.5%	10.9%	10.9%	10.6%	10.6%
12 – CET1 capital available after compliance with the total SREP capital requirements	0.2%	1.8%	2.0%	2.0%	2.1%
LEVERAGE RATIO					
13 – Total exposure measurement	393,321	403,750	401,978	414,590	403,300
14 – Leverage ratio	4.7%	4.5%	4.5%	4.2%	4.3%
ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF THE EXPOSURE MEASURE)					
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 EXPOSURE MEASURE)					
EU 14d – Leverage ratio buffer requirement	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e – Total leverage ratio requirement	0.0%	0.0%	0.0%	0.0%	3.0%
LIQUIDITY COVERAGE RATIO (LCR)[1]					
15 – Total liquid assets (HQLA)	63,195	66,614	68,142	67,717	65,498
EU 16a – Cash outflows	68,200	70,271	74,154	77,412	76,930
EU 16b – Cash inflows	25,923	24,933	24,703	24,275	22,669
16 – Total net cash outflows	42,278	45,338	49,450	53,137	54,261
17 – Liquidity coverage ratio (LCR)	149.1%	147.9%	140.0%	129.4%	121.6%
NET STABLE FUNDING RATIO (NSFR)					
18 – Total available stable funding	247,062	244,760	243,741	241,208	236,101
19 – Total required stable funding	230,104	224,277	223,728	225,895	222,501
20 – Net stable funding ratio (NSFR)	107.4%	109.1%	108.9%	106.8%	106.1%

(1) Number of dates used in the calculation of averages: 12.

5

5.2 RISK FACTORS (EU OVA)

RISKS RELATED TO BANCASSURANCE 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.

€481 bn Gross exposures

91% % of Basel capital requirements

2.8% Rate of non-performing loans

0.16% Cost of customer risk (as a % of gross outstanding customer loans)

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.

149.1% Average LCR over the year

109.5% 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 stagflation scenario: -22.5%

Result of the Net Present Value (NPV) sensitivity scenarios > Higher sensitivity to the 200 bp rate hike scenario: -13.26%

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.

3.0% % of Basel capital requirements

€7.7m Average 99% 1-day VaR 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 of foreseeable default by CNCM 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 is conditional on the repayment 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.

3.5% % of Basel capital requirements

€36.1m 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.

€0.291m Cost incurred per major event

CLIMATE

Climate risk corresponds to the physical risk resulting from the 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.

€23.1 bn Exposures eligible for sectoral policies in the Corporate portfolio, of which **0.61%** and **14.57%** of the exposures are eligible for the Coal and Hydrocarbons sectoral policies respectively.

-34.00% Change in the group's direct carbon footprint, France scope, between 2018 and 2022

-8.23% Change in the indirect carbon footprint of the group's corporate financing between 2022 and 2023

2023 data.

This section describes the principal risks to which CIC (hereinafter "the group") is exposed.

CIC is exposed to multiple risks associated with Retail Banking, Insurance, Corporate Banking, Capital Markets, Asset Management, 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.

The main factors that can significantly influence the group's risks are mentioned below, with major risks being addressed first within each category.

5.2.1 Credit risks related to the group's banking activities

Given its business model, CIC's primary risk is credit risk.. Gross exposures (on-balance sheet, off-balance sheet, derivatives and repurchase agreements) to credit risk represented €481 billion as of December 31, 2023, and mobilized about 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 29 "Performing and non-performing exposures and related provisions – EU CR1" and 25 "Credit quality of loans and advances to non-financial corporations by industry – EU CQ5".

Given its business model and the nature of its exposures, the following risk factors could adversely impact CIC's profitability and solvency:

a. **Significant financial losses due to the inability of counterparties to meet their contractual obligations** (risk of default). This risk concerns the financing activities which appear on CIC's balance sheet or guarantee activities which appear off balance sheet as well as other activities exposing the group to a risk of counterparty default, notably its activities related to the trading and settlement/delivery of financial instruments on the Capital Markets, and to insurance. The risk of default would immediately take the form of more non-performing loans (NPL, an indicator of default risk) and a major point of concern to European regulators and supervisors. It would also be reflected in a higher cost of risk due to the provisioning of those non-performing loans.

   While the counterparties concerned may be banks, financial institutions, industrial or commercial companies, governments, investment funds or natural persons, the weight of gross corporate exposures in total credit risk exposures (33% at December 31, 2023), makes CIC particularly sensitive to the deterioration of the economic environment, in particular due to the rise in interest rates affecting a corporate clientele mainly borrowing at variable rates.

   At December 31, 2023, CIC's NPL ratio (NPL/gross customer loans) was 2.72% and the cost of customer risk was €408 million. In relation to gross outstanding loans, the cost of risk was 0.159%. CIC had a stock of provisions for non-proven risks (provisions for performing loans - stage 1 and stage 2) of €932 million at December 31, 2023, which could prove insufficient to cover the increase in risks.

b. **A massive deterioration in property prices could affect collection rates.** Due to the size of its home loan portfolio representing nearly 45% of net loans to customers, *i.e.* €114 billion at December 31, 2023, mainly in France, the group is exposed to a fall in prices, in particular in the context of rising interest rates and inflation in construction costs since the end of the COVID-19 crisis. In this scenario, the impact would be an increase in defaults but also, in the case of financing guaranteed by mortgages, the fall in the value of the homes pledged as collateral could reduce recovery rates. In 2023, the cost of home risk in relation to gross loans in the balance sheet reached 0.01%, whereas it was not material in 2022.

c. **The default of one or more of the group's largest customers could also degrade its profitability.** CIC has relatively significant unitary exposures to certain States, banking counterparties or major groups, mainly French. Among States and similar entities, *i.e.* €80 billion of gross exposure as of December 31, 2023, the group is mainly exposed to France for €62 billion, mainly to the Banque de France (€39 billion), which is a member of the Eurosystem, and to the Caisse des Dépôts et Consignations (€14 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 exposures, on- and off-balance sheet, exceeding €300 million to banks represented €4 billion to three counterparties. For corporates, it represented €29 billion to 47 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. Given the extensive use of internal credit risk rating methods, **the calculation of risk-weighted assets in the denominator of the solvency ratio could deteriorate in line with that of the quality of its portfolio.** Under the standardized method, the change in credit quality has little impact on the calculation of weighted risks and therefore on the solvency ratio. But if the credit portfolios have been authorized by the supervisor to use internal models (IRB) to calculate weighted risks, any deterioration of the affected portfolios would deteriorate the denominator of the solvency ratio. Within CIC, 73% of the total exposures to credit risk are assigned an internal rating [1], the quality of which affects the calculation of the credit risk-related capital requirements under Basel III, and therefore the group's solvency ratio. Lower ratings on all or part of the portfolio would consequently result in lower solvency of the group in terms of risk of changed ratings. A recession could increase this credit risk, also given the increased indebtedness of economic agents and the decline in their financial income. A new increase, or shortage, of commodities (see the situation following the war between Russia and Ukraine) may worsen the situation of particularly sensitive sectors (chemicals, steel, transport, automotive, agro-food industry, etc.) where the group is exposed (see 2023 universal registration document, Table 25 "Credit quality of loans and advances granted to non-financial corporations by business sector EU CQ5").

5.2.2 Financial risks related to the group's activities and macroeconomic conditions

Financial risks related to the macroeconomic and market environments are defined as risks related to the changes in market conditions and in particular those affecting income, price levels and the macroeconomic environment such as the existing or anticipated economic environment.

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

CIC 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 hedge this risk, CIC is part of the centralized liquidity management process and benefits from the group's 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. CIC's short-term risk is managed using the LCR ratio, whose average level for 2023 is 149.1%, which represents an average surplus of €20.9 billion over the minimum regulatory requirements.

b. An unbalanced change in the commercial gap

As a universal bank, CIC is active in both the loan and savings markets. With a loan-to-deposit ratio of more than 100%, CIC is structurally a borrower and relies on the group's refinancing to balance its balance sheet. An increase in the ratio, and therefore an increase in the commercial gap, increases its exposure to liquidity risk.

By controlling the loan to deposit ratio, CIC limits this risk. The actions taken in 2023 to defend deposits in a context of strong competition enabled CIC 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 CIC'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

CIC has short-term and medium-term issuance programs with a structured EMTN program. The resources raised are included in the centralized refinancing management and market refinancing is mainly carried by BFCM.

e. Excessive transformation to liquidity

In order to avoid 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, CIC's NSFR amounted to 107.4% with a stable surplus of resources of €17 billion.

(1) According to the level of estimated risk associated with a counterparty, an internal rating is assigned to it, which will influence the capital requirements for credit risk.

f. A significant deterioration in the ratings of BFCM and Crédit Mutuel Alliance Fédérale entities

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. These ratings also benefit CIC issues.

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 generate 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. CIC's receivables are part of the collateral pool used under the centralized system.

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

CIC'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 (NPV) sensitivity of CIC's balance sheet, determined according to six regulatory scenarios, is below the 15% threshold for Common Equity Tier 1 capital. CIC is sensitive to an increase in the entire yield curve of 200 bp, with an NPV sensitivity of -13.26% 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 "stagflation" scenario is the most unfavorable for CIC with an impact of -22.5% over one year, *i.e.* -€737.6 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 is another factor that slows the distribution of market rates to the customer sector. On the loan side, the constraints related to the usury rate 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 indices, 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.

CIC'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 economy, takes 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 CIC 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 3% of CIC's overall regulatory capital (€21 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 €7.7 million on average for the group.

5.2.3 Risks related to the group's regulatory environment

CIC is part of the projects initiated and implemented within Crédit Mutuel Alliance Fédérale, which are described in the dedicated section, Section 2.1.2 "Regulatory environment" of Chapter 2 of this document.

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, CIC 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. CIC 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 reviews will also have consequences on market risks, including the revision of the regulatory and prudential framework for securitization and the review of the benchmark regulation concerning the rules relating to benchmark indices. The new EMIR 3 text (still under discussion) also requires clearing transactions to be located with an EU central counterparty.

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 CIC'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 CIC's solvency ratio; the impact will depend on the exact methods for transposing this regulation into national and European law. CIC is also consistent with the new EBA stress test, the results of which, published in July 2023, lead to the strengthening of the requirements of Pillar 2. 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. CIC is organizing itself and 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, the DORA regulation, applicable in early 2025, the MiCA regulation on the regulation of digital assets as well as the Data Act applicable in September 2025.

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. CIC 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. Lastly, 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.

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. As CIC is part of Crédit Mutuel Alliance Fédérale, it contributes to the objectives defined in the strategic plan.

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. CIC 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. Failure to achieve the objectives defined in the 2024-2027 strategic plan could significantly affect Crédit Mutuel Alliance Fédérale's results and financial position as well as those of CIC.

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:

a. **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.
b. **Legal risks** to which the group is exposed and which could have an adverse effect on its financial situation and its profit/loss.
c. **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.
d. **Any failure of, or attack against, the IT systems of the group,** which could cause lost earnings, losses and sporadically weaken the customer protection system.

In 2023, €840 million of shareholders' equity were allocated to cover the losses generated by this risk. The proven claims ratio in 2023 amounted to €36.1 million, representing approximately 0.56% of its net revenue. Fraud accounted for 43% of proven claims. The risks with the greatest impact on the proven claims ratio in 2023 for CIC were: (i) fraud, (ii) execution, delivery and process management, (iii) the policy for customers, products and commercial practices.

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 suspension shutdown of CIC'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 CIC would be detrimental to its financial position. Such circumstances would 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 CIC's activities continued to be monitored and reinforced by dedicated teams. No partial or complete shutdown of activity has been noted 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 €292 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 CIC 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. **The group's business model could be impacted by physical risks resulting 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 devaluations due to high sensitivity of securities, increased volatility, capital losses), accentuating market risk.

b. **The group'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 CIC 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);

- risks weighing on solvency (increase in risk-weighted assets) and operating profitability (decrease in the net interest margin).

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. These policies are applicable CIC-wide and are monitored at Crédit Mutuel Alliance Fédérale level. 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 sector, Maritime and Road sectors, and agriculture. 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.

CIC's direct carbon footprint in France related to the group's energy consumption, refrigerants, vehicle fleet and business travel decreased by 34% between 2018 and 2022, and the indirect carbon footprint of the financing in CIC's corporate portfolio, measured in tons of CO_2 per million euros lent, decreased by 8% between 2022 and 2023. 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

CIC's strategy is based on long-term values which promote controlled, sustainable and profitable growth. CIC, which initially focused more on corporates, has gradually been strengthened in the individual customer segment, notably through home financing. Operating in the activities of collecting deposits, financing of the economy and means of payment, CIC offers a range of financial, insurance and service activities to individual, professional and corporate customers. CIC operates predominantly in France and in neighboring European countries (Germany, Belgium, Luxembourg and Switzerland).

CIC strives to maintain and add to the financial strength from which its derives its soundness and durability. Regular allocations to reserves also shore up its financial health.

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

CIC'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 CIC's risk appetite framework is to:

- give Executive Management and the Board of Directors an acceptable level of confidence and comfort as regards the understanding and management of the full range of risks in line with the achievement of CIC'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 CIC and its risk management.

The policy as to risk appetite establishes a coherent framework in which CIC's various businesses can develop in accordance with its 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 risk appetite framework is controlled and supervised 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 CIC's 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 business lines' and entities' risk profiles with regard to earnings and capital allocation;
- identify risks in advance and manage them proactively, always adhering to the company's prudential profile.

CIC has based the definition of 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 group's 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): CIC'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;
- implementation of comprehensive limits process: several limit systems cover the majority of activities and all of the following risks, solvability, profitability, interest rates, credit, market, operational, IT and non-compliance, climate and environmental risks.

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 structure concerned.

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 the defining and deployment of a data quality management framework.

Measure

- Map all the risks to which Crédit Mutuel Alliance Fédérale is exposed, based on the various risks laid down in the regulations and the group's activity, by coupling this with a system for measuring and assessing the probability and magnitude 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 for measuring and monitoring risk indicators associated with each category of risk identified (*e.g.*: credit, liquidity, interest rate, market, solvency, operational, non-compliance, IT, insurance, climate, etc.), in accordance with Crédit Mutuel Alliance Fédérale's risk appetite.
- Establish a detection system involving early 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 internal 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 of 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 (SMR) 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 integrity.

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.

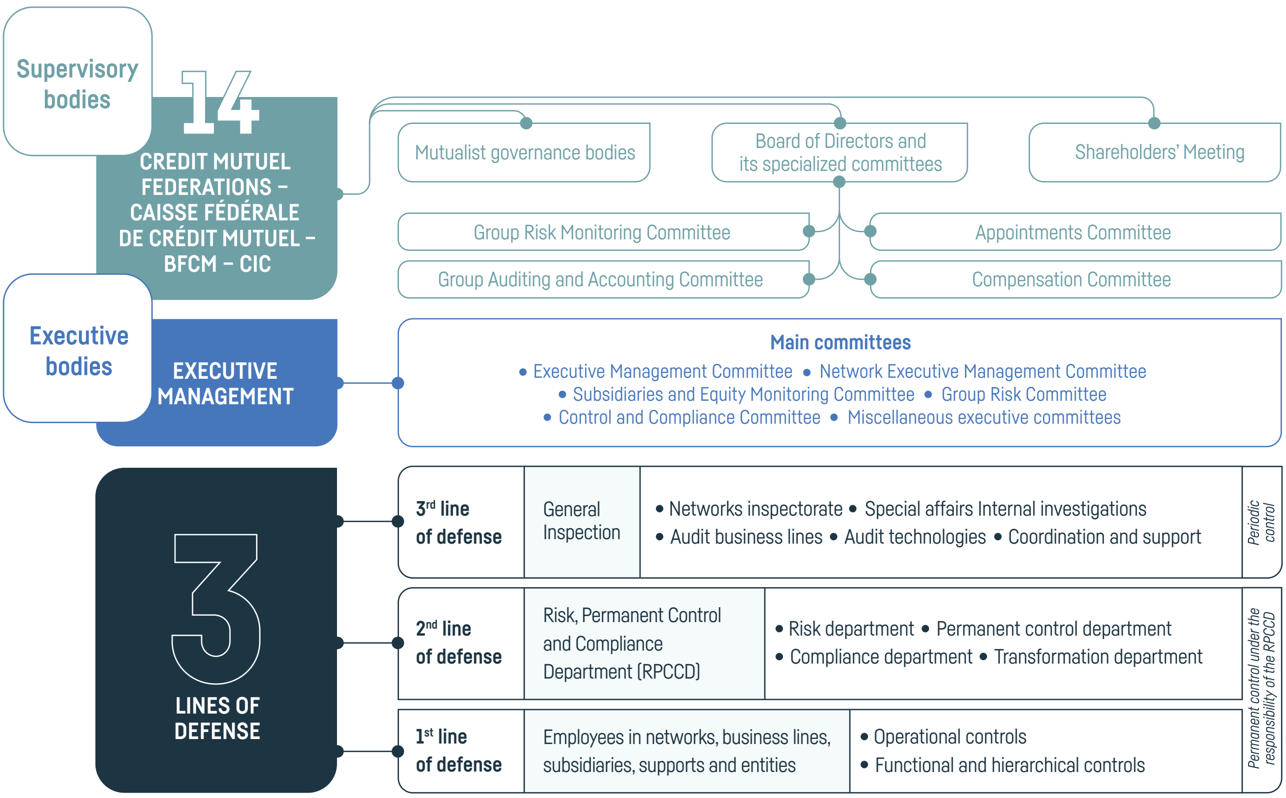
In this context, it has various regulatory tools used to identify, monitor, control and report on risks: in particular, risk mapping, the risk appetite framework and the system for monitoring alert thresholds and associated limits, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal 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.

In the area of financial reports, it:

- 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 of all kinds, 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. [LBS1]

Within the group, all accounts are obligatorily allocated to an operational department which is responsible for maintaining and verifying the accounts. 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 aspects (VAT position, 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 processing tools for the accounting information are essentially based on internal applications prepared by the group's IT services. There are also 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 and 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 templates are documented. 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 in relation to Crédit Mutuel Alliance Fédérale 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 compared to the previous fiscal year and in relation 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 CIC, the consolidation method differs in particular for securitization mutual funds, which are consolidated using the equity method, regardless of the percentage of control.

The differences between CIC's accounting and prudential scopes at December 31, 2023 are presented in the tables below.

In accordance with ANC Regulation 2016-09, the exhaustive list of controlled entities, jointly controlled and under significant influence excluded from the consolidation given their negligible nature for the preparation of the financial statements, and the list of equity investments are available in the Regulated Information section of the website: https://www.cic.fr/fr/institutionnel/actionnaires-et-investisseurs/information-reglementee.html

TABLE 3: DIFFERENCES BETWEEN THE ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND CORRESPONDENCE BETWEEN THE FINANCIAL STATEMENTS AND THE REGULATORY RISK CATEGORIES (EU LI1)

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 counterparty risk framework*	subject to provisions relating to securitization	subject to the market risk framework*	subject to the credit risk framework
ASSETS							
Cash, Central banks – Assets	45,611	45,611	45,611	0	0	0	0
Financial assets at fair value through profit or loss	31,677	31,677	5,740	18,241	0	20,581	0
Hedging derivatives – Assets	1,907	1,907	0	1,907	0	0	0
Financial assets at fair value through shareholders' equity	19,587	19,587	13,191	0	6,396	0	0
Securities at amortized cost	4,010	4,498	4,498	0	0	0	0
Loans and receivables due from credit institutions and similar at amortized cost	47,338	47,338	40,340	4,898	2,100	0	0
Loans and receivables due from customers at amortized cost	252,182	251,412	247,240	4,176	0	0	-5
Revaluation adjustment on rate-hedged books	-460	-460	0	0	0	0	-460
Short-term investments in the Insurance business line and reinsurers' share of technical reserves	0	0	0	0	0	0	0
Reinsurance contracts issued - assets	0	0	0	0	0	0	0
Reinsurance contracts held - assets	0	0	0	0	0	0	0
Current tax assets	624	624	624	0	0	0	0
Deferred tax assets	414	414	414	0	0	0	0
Accruals and miscellaneous assets	5,693	5,691	5,691	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	1,503	1,503	1,450	0	0	0	52
Investment property	28	28	28	0	0	0	0
Property, plant and equipment and finance leases	1,672	1,672	1,672	0	0	0	0
Intangible assets	143	143	0	0	0	0	143
Goodwill	33	33	0	0	0	0	33
TOTAL ASSETS	**411,961**	**411,677**	**366,499**	**29,223**	**8,496**	**20,581**	**-236**

** Certain items may be subject to capital requirements for counterparty risk and market risk. This concerns derivatives and repos.*

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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 counterparty risk framework*	subject to provisions relating to securitization	subject to the market risk framework*	subject to the credit risk framework
LIABILITIES							
Central banks – Liabilities	31	31	0	0	0	0	31
Financial liabilities at fair value through profit or loss	17,572	17,572	0	16,085	0	10,911	146
Hedging derivatives – Liabilities	1,597	1,597	0	1,597	0	0	0
Due to credit institutions	96,258	96,258	0	10,264	0	0	85,993
Due to customers	230,348	230,348	0	3,034	0	0	227,314
Debt securities	34,784	34,784	0	0	0	0	34,784
Revaluation adjustment on rate-hedged books	-26	-26	0	0	0	0	-26
Current tax liabilities	376	376	0	0	0	0	376
Deferred tax liabilities	292	292	292	0	0	0	0
Accruals and miscellaneous liabilities	5,808	5,523	0	0	0	0	5,523
Liabilities on assets held for sale	0	0	0	0	0	0	0
Technical reserves	0	0	0	0	0	0	0
Insurance contracts issued - liabilities	0	0	0	0	0	0	0
Insurance contracts held - liabilities	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	1,318	1,318	0	0	0	0	1,318
Subordinated debt issued by bank	3,305	3,305	0	0	0	0	3,305
Total shareholders' equity	**20,299**	**20,299**	**0**	**0**	**0**	**0**	**20,299**
Shareholders' equity attributable to the group	20,278	20,278	0	0	0	0	20,278
Share capital and related pay-ins	1,784	1,784	0	0	0	0	1,784
Consolidated reserves – group	16,500	16,500	0	0	0	0	16,500
Unrealized gains and (losses) recognized directly in shareholders' equity – group	8	8	0	0	0	0	8
Net income – group	1,986	1,986	0	0	0	0	1,986
Shareholders' equity – Non-controlling interests	21	21	0	0	0	0	21
TOTAL LIABILITIES	**411,961**	**411,677**	**292**	**30,980**	**0**	**10,911**	**379,063**

** 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	**424,785**	**366,485**	**29,223**	**8,496**	**20,581**
2 – Carrying amount of liabilities in the regulatory consolidation (as per Table LI1)	42,183	292	30,980	0	10,911
3 – Net total in the regulatory consolidation	**382,602**	**366,193**	**-1,758**	**8,496**	**9,670**
4 – Off-balance sheet commitments	**75,810**	**75,052**	**-**	**758**	**-**
– OBS valuation difference	**-40,397**	**-40,397**	**-**	**0**	**-**
5 – Valuation differences	*2,479*	-	*2,479*	-	-
6 - Differences arising from differing rules for offsetting other than those already in line 2 [2]	*11,316*	-	*17,287*	-	*-5,972*
7 – Differences arising from the inclusion of provisions	*3,730*	*3,731*	-	*-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	*1,091*	*1,092*	-	*-0*	-
12 – REGULATORY AMOUNT OF EXPOSURES	**436,630**	**405,670**	**18,009**	**9,253**	**3,699**

(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.

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TABLE 5: DESCRIPTION OF THE DIFFERENCES BETWEEN THE SCOPES OF CONSOLIDATION (EU LI3)

Name of the entity/grouping	Accounting consolidation method	Regulatory method: Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
FCT Factofrance	Full consolidation			x			Banking network subsidiaries

TABLE 6: VALUE ADJUSTMENTS FOR CONSERVATIVE VALUATION PURPOSES (EU PV1)

12/31/2023 *(in € millions)*	Risk category					Category AVA – Valuation uncertainty				
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 main approach in the banking book**
Market price uncertainties	0	1	0	110	0	0	0	56	0	56
Liquidation costs	0	0	0	0	0	0	0	0	0	0
Concentrated positions	0	9	0	0	0	19	0	24	0	24
Early termination	0	0	0	2	0	0	0	2	0	2
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**	**10**	**0**	**112**	**0**	**19**	**0**	**82**	**0**	**82**

12/31/2022 *(in € millions)*	Risk category					Category AVA – Valuation uncertainty				
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 main approach in the banking book**
Market price uncertainties	0	2	0	86	0	0	0	44	0	44
Liquidation costs	0	7	0	0	0	27	0	30	0	30
Concentrated positions	0	0	0	0	0	0	0	0	0	0
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**	**9**	**0**	**86**	**0**	**27**	**0**	**74**	**0**	**74**

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, CIC 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 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.

In addition, direct, indirect and synthetic holdings in CET1 instruments of financial sector entities are included in full in the threshold and are not therefore deducted from CET1. 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	1,784	1,784	3
of which: shares	*612*	*612*	
of which: issue premiums	*1,172*	*1,172*	
2 – Retained earnings	16,581	13,904	4
3 – Accumulated other comprehensive income (and other reserves)	-73	-203	
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	-9	23	5
5a – Intermediate profits, net of any foreseeable expense and distribution of dividends, subject to independent control	993	2,289	4
6 – Common Equity Tier 1 (CET1) capital before regulatory adjustments	19,277	17,798	
COMMON EQUITY TIER 1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS			
7 – Additional value adjustments (negative amount)	-79	-74	
8 – Intangible assets (net of related tax liabilities) (negative amount)	-239	-266	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)	-0	-0	
11 – Fair value reserves related to gains and losses on cash flow hedges	-0	-0	
12 – Negative amounts resulting from the calculation of expected losses	-205	-55	
13 – Any increase in shareholders' 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	0	0	
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 to 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	

(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)
22 – Amount exceeding the 17.65% threshold (negative amount)	0	0	
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	-264	-215	
28 – Total regulatory adjustments to Common Equity Tier (CET1) capital	-788	-611	
29 – Common Equity Tier 1 (CET1) capital	18,489	17,187	
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS			
30 – Capital instruments and related issue premium accounts	0	0	2
31 – of which: classified as shareholders' 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	0	0	
35 – of which: instruments issued by subsidiaries subject to gradual exclusion	*0*	*0*	
36 – Additional Tier 1 (AT1) capital before regulatory adjustments	0	0	
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	0	0	
45 – Tier 1 capital (T1 = CET1 + AT1)	18,489	17,187	

(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)
ADDITIONAL TIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS			
46 – Capital instruments and related issue premium accounts	2,456	2,839	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	
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	12	10	
49 – of which: instruments issued by subsidiaries subject to gradual exclusion	*0*	*0*	
50 – Credit risk adjustments	0	159	
51 – Tier 2 capital before regulatory adjustments	2,468	3,009	
TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS			
52 – Direct and indirect holdings by an institution of T2 own instruments and subordinated loans (negative amount)	0	0	
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 and indirect 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)	0	0	
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	0	0	
58 – Tier 2 (T2) capital	2,468	3,009	
59 – Total capital (TC = T1 + T2)	20,957	20,196	
60 – Total risk-weighted assets	145,323	135,442	
CAPITAL RATIOS AND REQUIREMENTS INCLUDING BUFFERS			
61 – Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	12.72%	12.69%	
62 – Tier 1 capital (as a percentage of total risk exposure amount)	12.72%	12.69%	
63 – Total capital (as a percentage of total risk exposure amount)	14.42%	14.91%	
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)	2.99%	2.53%	
65 – of which: capital conservation buffer requirement	*2.50%*	*2.50%*	
66 – of which: countercyclical buffer requirement	*0.49%*	*0.03%*	
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%*	

(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)
67b – of which: additional capital requirements to address risks other than the risk of excessive leverage	*1.50%*	*0.00%*	
68 – Common Equity Tier 1 capital available to meet buffer requirements (as a percentage of risk exposure amount)	*8.22%*	*8.19%*	
69 - [not applicable in EU regulation]	-	-	-
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)	263	244	
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)	295	285	
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)	122	169	
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	0	233	
78 – Credit risk adjustments included in T2 in respect of exposures subject to the internal ratings approach (prior to the application of the cap)	-135	159	
79 – Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	550	516	
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 T2 instruments subject to gradual exclusion	0	0	
85 – Amount excluded from T2 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 (EUCC2)

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	45,611	45,611	
Financial assets at fair value through profit or loss	31,677	31,677	
Hedging derivatives – Assets	1,907	1,907	
Financial assets at fair value through shareholders' equity	19,587	19,587	
Securities at amortized cost	4,010	4,498	
Loans and receivables due from customers at amortized cost	47,338	47,338	
Loans and receivables due from credit institutions and similar at amortized cost	252,182	251,412	
Revaluation difference on rate-hedged books	-619	-619	
Short-term investments in Insurance and reinsurers' share of technical reserves	0	0	
Current tax assets	624	624	
Deferred tax assets	414	414	
Accruals and miscellaneous assets	5,693	5,691	
Non-current assets held for sale	0	0	
Deferred profit-sharing	0	0	
Investments in equity consolidated companies	1,503	1,503	
Investment property	28	28	
Property, plant and equipment and finance leases	1,672	1,672	
Intangible assets	143	143	1
Goodwill	33	33	1
TOTAL ASSETS	**411,802**	**411,517**	**-**

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	17,572	17,572	
Hedging derivatives – Liabilities	1,597	1,597	
Due to credit institutions	96,258	96,258	
Due to customers	230,348	230,348	
Debt securities	34,784	34,784	2
Revaluation difference on rate-hedged books	-186	-186	
Current tax liabilities	376	376	
Deferred tax liabilities	292	292	
Accruals and miscellaneous liabilities	5,808	5,523	
Liabilities on assets held for sale	0	0	
Technical reserves and other insurance liabilities	0	0	
Provisions for risks and expenses	0	0	
Subordinated debt issued by bank	0	0	2
Total shareholders' equity	**0**	**0**	
Shareholders' equity attributable to the group	0	0	
Share capital and related pay-ins	0	0	3
Consolidated reserves – group	0	0	4
Unrealized gains and (losses) recognized directly in shareholders' equity – group	0	0	
Net income – group	0	0	4
Shareholders' equity – Non-controlling interests	1,318	1,318	5
TOTAL LIABILITIES	**411,802**	**411,517**	**-**

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	65,940	65,940	
Financial assets at fair value through profit or loss	27,524	27,524	
Hedging derivatives – Assets	3,480	3,480	
Financial assets at fair value through shareholders' equity	17,778	17,778	
Securities at amortized cost	3,558	3,772	
Loans and receivables due from customers at amortized cost	40,954	40,954	
Loans and receivables due from credit institutions and similar at amortized cost	240,002	239,504	
Revaluation difference on rate-hedged books	-2,221	-2,221	
Short-term investments in Insurance and reinsurers' share of technical reserves	0	0	
Current tax assets	675	675	
Deferred tax assets	440	440	
Accruals and miscellaneous assets	5,181	5,181	
Non-current assets held for sale	0	0	
Deferred profit-sharing	0	0	
Investments in equity consolidated companies	1,263	1,263	
Investment property	27	27	
Property, plant and equipment and finance leases	1,570	1,570	
Intangible assets	170	170	1
Goodwill	33	33	1
TOTAL ASSETS	**406,373**	**406,088**	

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	18,510	18,510	
Hedging derivatives – Liabilities	1,151	1,151	
Due to credit institutions	105,739	105,739	
Due to customers	222,144	222,144	
Debt securities	29,811	29,811	2
Revaluation difference on rate-hedged books	-16	-16	
Current tax liabilities	267	267	
Deferred tax liabilities	270	270	
Accruals and miscellaneous liabilities	6,154	5,869	
Liabilities on assets held for sale	0	0	
Technical reserves and other insurance liabilities	0	0	
Provisions for risks and expenses	1,194	1,194	
Subordinated debt issued by bank	3,300	3,300	2
Total shareholders' equity	**17,805**	**17,805**	
Shareholders' equity attributable to the group	17,775	17,775	
Share capital and related pay-ins	*1,784*	*1,784*	*3*
Consolidated reserves – group	*14,007*	*14,007*	*4*
Unrealized gains and (losses) recognized directly in shareholders' equity – group	*-305*	*-305*	
Net income – group	*2,289*	*2,289*	*4*
Shareholders' equity – Non-controlling interests	30	30	5
TOTAL LIABILITIES	**406,373**	**406,088**	

5.5.2 Capital requirements

TABLE 9: OVERVIEW OF RWAS – MINIMUM CAPITAL REQUIREMENTS (EU OV1)

(in € millions)	RWAs (Risk-weighted assets - RWA)		Minimum capital requirements
	12/31/2023	12/31/2022	12/31/2023
1 Credit risk (excl. counterparty risk – CCR)	**128,201**	**118,648**	**10,256**
2 of which standardized approach	21,183	20,790	1,695
3 of which IRB simple approach (F-IRB)	41,788	38,071	3,343
4 of which referencing approach	8,172	7,252	654
5 of which equities under the simple weighting method	13,239	10,134	1,059
6 of which advanced IRB approach (A-IRB)	43,334	42,401	3,467
7 Counterparty credit risk (CCR)	**2,444**	**2,550**	**196**
8 of which standardized approach	1,931	1,809	154
9 of which internal model method (IMM)	0	0	0
10 of which exposure on a CCP	25	23	2
11 of which credit valuation adjustment – CVA	286	282	23
12 of which other RCCs	202	437	16
13 Settlement risk	**4**	**0**	**0**
14 Securitization exposure in the banking book	**1,792**	**1,709**	**143**
15 of which SEC-IRBA approach	0	0	0
16 of which SEC-ERBA approach	1,487	1,459	119
17 of which SEC-SA approach	306	250	24
18 of which 1,250%/deduction	0	0	0
19 Market risks	**1,773**	**1,954**	**142**
20 of which standardized approach	1,773	1,954	142
21 of which internal model-based approaches (IMM)	0	0	0
22 Major Risks	**0**	**0**	**0**
23 Operational risk	**10,500**	**10,157**	**840**
24 of which base indicator approach	355	322	28
25 of which standardized approach	30	84	2
26 of which advanced measurement approach	10,116	9,751	809
27 Amounts less than deduction thresholds (subject to 250% risk weighting)	**608**	**423**	**0**
28 - Floor adjustment			**0**
TOTAL	**145,323**	**135,442**	**11,577**

5.6 PRUDENTIAL INDICATORS

5.6.1 Solvency ratio

CIC'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)	2023	2022
COMMON EQUITY TIER 1 (CET1) CAPITAL	**18,489**	**17,187**
Capital	1,784	1,784
Eligible reserves before adjustments	17,574	16,184
Deductions from Common Equity Tier 1 capital	-869	-790
ADDITIONAL TIER 1 (AT1) CAPITAL	**0**	**0**
TIER 2 (T2) CAPITAL	**2,468**	**3,009**
TOTAL REGULATORY CAPITAL	**20,957**	**20,196**
Risk-weighted assets for credit risk	133,045	123,331
Risk-weighted assets for market risk	1,778	1,954
Risk-weighted assets for operational risk	10,500	10,157
TOTAL RISK-WEIGHTED ASSETS	**145,323**	**135,442**
SOLVENCY RATIOS – Transitional method		
Common Equity T1 (CET1) ratio	12.7%	12.7%
Tier 1 ratio	12.7%	12.7%
Overall ratio	14.4%	14.9%

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, CIC 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).

From April 7, 2023, the HSCF 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.

From 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.

CIC'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.

CIC is not subject to the O-SII (Other Systemically Important Institutions) buffer, which applies solely at the national consolidated level.

(1) CRR: part 3/title 1/Chapter 1/Section 1/Article 92.

TABLE 11: AMOUNT OF COUNTERCYCLICAL CAPITAL BUFFER SPECIFIC TO THE INSTITUTION (EU CCYB2)

(in € millions)	12/31/2023	12/31/2022
010 Total risk-weighted assets	145,323	135,442
020 Countercyclical buffer ratio specific to the institution	0.4912%	0.0585%
030 Required countercyclical buffer specific to the institution	714	79

TABLE 12: GEOGRAPHICAL BREAKDOWN OF RELEVANT CREDIT EXPOSURES FOR THE CALCULATION OF COUNTERCYCLICAL CAPITAL BUFFER (EU CCYB1)

	General credit exposures		Relevant credit exposures – market risk				Capital requirements						
12/31/2023 *(in € millions)*	Value at risk using standardized approach	Value at risk using IRB approach	Sum of long and short exposures in the trading portfolio for the standardized approach	Value of trading book exposures using 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 *(%)*
France	14,569	240,716	1,326	0	3,204	259,815	7,291	40	57	7,388	92,355	72.95%	0.5%
United Kingdom	593	3,307	116	0	441	4,457	228	5	13	246	3,071	2.43%	2.0%
Luxembourg	3,861	1,878	26	0	74	5,838	336	0	1	337	4,219	3.33%	0.5%
Australia	138	2,242	50	0	228	2,658	135	1	3	140	1,745	1.38%	1.0%
Germany	1,223	1,048	343	0	584	3,198	158	7	6	171	2,139	1.69%	0.8%
The Netherlands	212	1,885	166	0	581	2,844	108	3	7	118	1,479	1.17%	1.0%
Ireland	76	1,021	3	0	179	1,279	62	0	3	65	816	0.64%	1.0%
Hong Kong	23	1,251	15	0	0	1,289	51	0	0	51	642	0.51%	1.0%
Norway	14	476	26	0	0	516	19	2	0	20	256	0.20%	2.5%
Sweden	54	141	38	0	0	233	11	1	0	12	146	0.12%	2.0%
Czech Republic	88	5	0	0	0	94	7	0	0	7	92	0.07%	2.0%
Denmark	32	34	29	0	0	95	4	1	0	6	70	0.06%	2.5%
Slovakia	45	1	0	0	0	46	4	0	0	4	44	0.04%	1.5%
Croatia	3	79	0	0	0	82	5	0	0	5	64	0.05%	1.0%
Romania	22	3	2	0	0	27	2	0	0	2	21	0.02%	1.0%
Bulgaria	4	0	0	0	0	4	0	0	0	0	3	0.00%	2.0%
Lithuania	7	0	0	0	0	7	0	0	0	0	6	0.00%	1.0%
Cyprus	5	5	0	0	0	10	1	0	0	1	8	0.01%	0.5%
Slovenia	6	1	0	0	0	7	0	0	0	0	6	0.00%	0.5%
Iceland	1	0	0	0	0	1	0	0	0	0	1	0.00%	2.0%
Estonia	1	0	0	0	0	1	0	0	0	0	1	0.00%	1.5%

	General credit exposures		Relevant credit exposures – market risk				Capital requirements						
12/31/2022 *(in € millions)*	Value at risk using standardized approach	Value at risk using IRB approach	Sum of long and short exposures in the trading portfolio for the standardized approach	Value of trading book exposures using 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 *(%)*
Luxembourg	4,305	1,652	0	0	75	6,032	363	0	1	364	4,556	3.83%	0.5%
United Kingdom	485	2,849	0	0	344	3,678	205	0	13	218	2,721	2.33%	1.0%
Hong Kong	20	1,543	0	0	0	1,563	58	0	0	58	722	0.62%	1.0%
Sweden	49	609	0	0	0	658	49	0	0	49	606	0.52%	1.0%
Norway	47	196	0	0	0	243	8	0	0	8	98	0.09%	2.0%
Denmark	64	52	0	0	0	115	8	0	0	8	50	0.08%	2.0%
Slovakia	60	1	0	0	0	61	5	0	0	5	59	0.05%	1.0%
Czech Republic	55	6	0	0	0	60	4	0	0	4	99	0.04%	1.5%
Romania	25	4	0	0	0	29	2	0	0	2	22	0.02%	0.5%
Bulgaria	4	0	0	0	0	5	0	0	0	0	4	0.00%	1.0%
Iceland	3	0	0	0	0	3	0	0	0	0	1	0.00%	2.0%
Estonia	2	0	0	0	0	2	0	0	0	0	2	0.00%	1.0%

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.

CIC does not have a large gross or net outstandings with a single recipient [1] (customer or customer group) reaching the threshold of 10% or 5% of the bank's capital.

TABLE 13: MAJOR RISKS

CORPORATE

Customer risk concentration	12/31/2023	12/31/2022
Commitments in excess of €300m		
Number of counterparty groups	53	52
TOTAL COMMITMENTS *(in € millions)*	**30,429**	**30,674**
of which total balance sheet (in € millions)	*11,006*	*10,959*
of which total off-balance sheet guarantee and financing uses (in € millions)	*19,423*	*19,715*
Commitments in excess of €100m		
Number of counterparty groups	187	180
TOTAL COMMITMENTS *(in € millions)*	**50,657**	**49,894**
of which total balance sheet (in € millions)	*20,797*	*20,477*
of which total off-balance sheet guarantee and financing uses (in € millions)	*29,859*	*29,417*

Source: CIC "Major Risks" reporting. 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 €300m		
Number of counterparty groups	5	6
TOTAL COMMITMENTS *(in € millions)*	**4,354**	**3,552**
of which total balance sheet (in € millions)	*3,907*	*3,080*
of which total off-balance sheet guarantee and financing uses (in € millions)	*447*	*472*
Commitments in excess of €100m		
Number of counterparty groups	31	19
TOTAL COMMITMENTS *(in € millions)*	**7,686**	**4,908**
of which total balance sheet (in € millions)	*6,715*	*4,100*
of which total off-balance sheet guarantee and financing uses (in € millions)	*971*	*809*

Source: CIC "Major Risks" reporting. 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 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 CIC;
- an internal limit has been defined at CIC level;
- if the limit set by the supervisory body is breached, a specific procedure has been laid out involving the Executive Management of the group in question and the Boards of Directors of CIC.

TABLE 14: LEVERAGE RATIO – JOINT STATEMENT (EU LR2-LRCOM)

	Leverage ratio exposures under the CRR	
(in € millions)	12/31/2023	12/30/2022
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)		
1 – Balance sheet items (excluding derivatives, SFTs and fiduciary assets, including collateral)[1]	388,442	378,829
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)	-2,087	-879
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)	-205	-55
7 – Total balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**386,149**	**386,895**
DERIVATIVES EXPOSURES		
8 – Replacement cost of all derivative transactions (net of eligible cash variation margins)	2,400	3,538
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	2,479	2,054
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	**7,504**	**9,567**
SFT EXPOSURES		
14 – Gross SFT assets (excluding netting) after adjustment for transactions recognized as sales (4)	19,688	19,654
15 – (Net value of cash payables and receivables of gross SFT assets)[2]	-7,207	-7,105
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 exposures from securities financing transactions	**12,481**	**12,549**
OTHER OFF-BALANCE SHEET EXPOSURES		
19 – Off-balance sheet exposures at gross notional amount	72,832	73,436
20 – (Adjustments for conversion into equivalent credit amounts)	-43,227	-43,185
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	12/30/2022
22 – Total other off-balance sheet exposures	**29,605**	**30,250**
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)	-28,855	-24,702
EU-22b – (Exposures exempted under Article 429a (1) (j) of the CRR – on and off-balance sheet)	-13,564	-11,258
EU-22k – Total exempted exposures	**-42,419**	**-35,961**
CAPITAL AND TOTAL EXPOSURE MEASUREMENT		
23 – Tier 1 capital	**18,489**	**17,187**
24 – Total exposure measurement	**393,321**	**403,300**
LEVERAGE RATIO		
25 – Leverage ratio *(in %)*	4.7%	4.3%
25a – Leverage ratio (excluding the impact of any applicable temporary exemption from central bank reserves) *(in %)*	4.7%	4.3%
26 – Minimum leverage ratio regulatory requirement *(in %)*	3.0%	3.0%
EU-26a – Additional capital requirements to address the risk of excessive leverage *(in %)*	0.0%	0.0%
EU-26b – of which: to be met with CET1 capital	0.0%	0.0%
27 – Leverage ratio buffer requirement *(in %)*	0.0%	0.0%
EU-27a – Overall leverage ratio requirement *(in %)*	3.0%	3.0%
Choice of transitional arrangements and relevant exposures		
EU-27 – 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, after adjustment for transactions recognized as sales and net of related cash payables and receivables	19,485	19,947
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)	400,325	410,698
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)	400,325	410,698
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)	4.6%	4.2%
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)	4.6%	4.2%

(1) Repurchase and security lending/borrowing transactions.
(2) Correction 2022.12: figures not offset.

TABLE 15: SUMMARY OF RECONCILIATION BETWEEN ACCOUNTING ASSETS AND EXPOSURES FOR LEVERAGE RATIO PURPOSES (EU LR1 - LRSUM)

(in € millions)	12/31/2023	12/30/2022
1 – TOTAL ASSETS UNDER THE REPORTED FINANCIAL STATEMENTS	**411,961**	**406,373**
2 – Adjustment for entities consolidated from an accounting point of view but not within the scope of prudential consolidation	0	-285
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	-2,169	-507
9 – Adjustment for securities financing transactions (SFT)	-6,065	-418
10 – Adjustment for off-balance sheet items (resulting from the translation of off-balance sheet exposures into credit equivalent amounts)	29,605	30,250
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)	-28,855	-24,702
EU-11b – (Adjustment for exposures excluded from the total exposure measure pursuant to Article 429a (1) (j) of the CRR)	-13,564	-11,258
12 – Other adjustments	2,407	3,848
13 – TOTAL LEVERAGE RATIO EXPOSURE	**393,321**	**403,300**

** The total amount of the asset is presented in accordance with accounting standards.*

TABLE 16: BREAKDOWN OF EXPOSURES ON THE BALANCE SHEET – EXCLUDING DERIVATIVES, SFTS AND EXEMPT EXPOSURES (EU LR3 - LRSPL)

	12/31/2023	12/30/2022
(in € millions)	Leverage ratio exposures under the CRR	Leverage ratio exposures under the CRR
EU-1 – TOTAL BALANCE SHEET EXPOSURES* OF WHICH:	**346,571**	**353,133**
EU-2 – Trading book exposures	9,029	8,638
EU-3 – Banking book exposures, of which:	337,542	344,494
EU-4 – Secured bonds	1,037	459
EU-5 – Exposures treated as sovereigns	65,628	86,611
EU-6 – Exposures to regional governments, multilateral development banks, international organizations, and public sector entities not considered as sovereigns	223	301
EU-7 – Institutions	11,093	11,196
EU-8 – Secured by real estate property mortgages	133,096	125,196
EU-9 – Retail exposures	31,853	31,699
EU-10 – Corporate exposures	70,371	68,022
EU-11 – Exposures in default	3,583	998
EU-12 – Other exposures (equities, securitizations and other assets unrelated to credit exposures)	20,656	18,013

** Excluding derivatives, temporary sales of securities and exempt exposures.*

5.7 CAPITAL ADEQUACY (EU OVC)

Pillar 2 ensures that banks make the best possible assessment of the adequacy of their capital with their risk profile. To this end, 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, quantification, 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. Crédit Mutuel Alliance Fédérale and its subsidiaries, including CIC, are part of this system, which recalls the roles and responsibilities of the parties involved in the system, as well as its relationship with the group's other operational systems.

Each year, CIC follows the example of its parent company, Crédit Mutuel Alliance Fédérale, in deploying its ICAAP approach to assessing the adequacy of its capital base, in line with the general national system. The approach then applied to the scope provided for by the general national ICAAP system, namely: the consolidated scope of CIC and Banque de Luxembourg.

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 [2] (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.).

  The impacts measured relate to accounting and prudential figures, and the results are included in the three-year forecasts of regulatory capital and risks, in the central scenario and under stress conditions.

  The adverse scenario compiling the prospective stresses applied to the forecasts is based on severe but plausible macroeconomic scenarios, taking into account the group's main vulnerabilities and the current economic context;
- 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.

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 (Pillar 1).

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).

The capital adequacy assessment 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, CIC ensures that the regulatory ratio trajectories (in the central and adverse scenarios) are in line with the alert thresholds and limits set by CIC's 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 operational implementation of the ICAAP gives rise to the drafting of a report on the scope in which the approach is conducted (CIC, Banque de Luxembourg), applying the principle of proportionality. The consistency of the system is ensured by national coordination and the significant involvement of Crédit Mutuel Alliance Fédérale and the operational departments in a common project.

(1) General national ICAAP system, CNCM risk department, September 2022.

(2) The ECB's ICAAP Guide defines the prescriptive approach as a multi-year assessment of the institution's ability to meet, on an ongoing basis, all quantitative regulatory and supervisory capital requirements and demands placed on it, and to cope with other external financial constraints.

CIC's effective managers are responsible for the application of national risk identification and economic capital quantification methodologies, as well as the allocation of economic capital in addition to regulatory capital within CIC's scope of consolidation.

At the end of the fiscal year, the information compiled must be sufficient to enable the management bodies to take a position on the adequacy and allocation of capital for their consolidated scope (based on national methodologies or, in particular for subsidiaries, on specific methodologies based on justification).

The results cover the consolidated scope of CIC, 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 and its subsidiaries. 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 consistent with its risk mapping, Crédit Mutuel Alliance Fédérale, in conjunction with the CNCM, has developed a graduated stress test program in which CIC is involved (see EBA/GL/2018/04 Art. 48).

Developed by type of risk, stress tests were set up as part of risk management. 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 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. Thus, 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, in conjunction with the CNCM, has adopted an adverse scenario of the "stagflation" type for itself and its subsidiaries. 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.

The adverse scenario takes into account, on the one hand, the economic and health events observed in 2023, and on the other hand a prospective analysis.

The stress scenario applies to the global scope and impacts all the material risk factors for CIC 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.

This stressed scenario is applied to the net interest margin, commissions, other items of net revenue, general operating expenses, cost of risk and credit RWAs.

The stress test methodology is applied taking into account the risk mapping within the subsidiaries, 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), CIC 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, CIC 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 CIC, and the analysis of the adequacy of its stress tests, in particular the ICAAP and ILAAP stress tests, in view of these results.

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 CIC'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

CIC's primary risk is credit risk, because of its business model.

Since its consolidation into Crédit Mutuel Alliance Fédérale, CIC has focused its development on individual customers, as well. It still remains on the corporate market, however.

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 CIC may be involved.

It sets the lending criteria by type of customer or product, based mainly on the solvency of the creditors 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 CIC'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 CIC's risk appetite as approved by the Board of Directors of CIC, 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.

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 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 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, CIC has various tools enabling an aggregate, static and dynamic approach:

- exposure to one 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 quarterly monitoring 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, CIC's bank and corporate regulatory limits 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 compliant with Basel and accounting requirements. A unified definition of default has been adopted for the entire Crédit Mutuel group. It is 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, CIC 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

CIC 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;
- internal audit, located in the general inspection – network auditing division for third-level control of transactions carried out in the networks and in the general inspection – business line auditing division and audit technologies 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 in particular and the allocation of the group's main commitments to the proper risk classes. The department, working with the lending department, 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 controls 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 the internal auditing management system is described in detail in Section 5.3 "Risk management".

5.8.2 Exposures

CIC has focused on the most advanced forms of the Basel III Accord, beginning with its core business, retail customers. The supervisory authorities have authorized CIC to use its internal ratings system to calculate its regulatory capital requirements for credit risk.

At December 31, 2023, CIC applied:

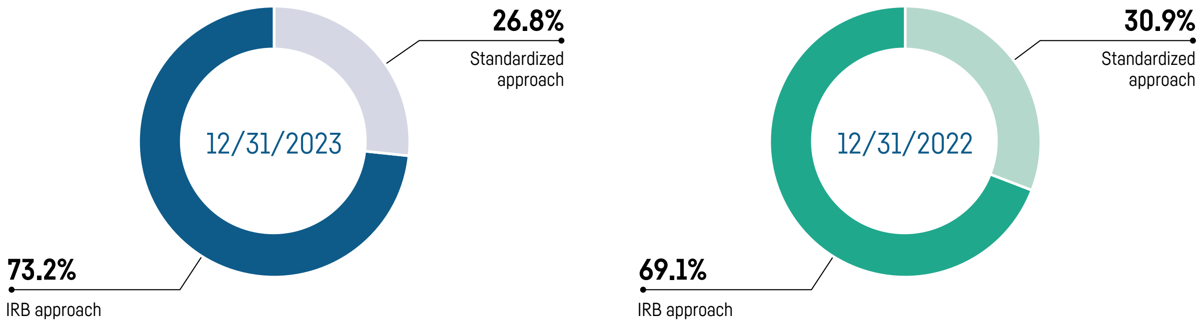
- the advanced method for the retail and corporate customer portfolio (excluding large accounts);
- the foundation method for bank and large corporate portfolios.

As part of the TRIM (Targeted review of internal models) exercise, the European Central Bank confirmed the approvals obtained using advanced internal rating methods on retail customer portfolios. With regard to large corporates and banks, in application of the TRIM constraints imposing limits on these portfolios, CIC has chosen to switch to the Foundation method as of March 31, 2022, which makes it possible to anticipate the applicable Basel IV rules from January 1, 2025. For all these portfolios, the related recommendations are being taken into account.

CIC has made changes to its PD (Probability of Default), LGD (Loss Given Default) and CCF (Credit Conversion Factor) calculation systems for Retail and Corporate portfolios to ensure that they comply with the European Banking Authority (EBA) guidelines. Its changes were validated by the ECB in 2023 and the new risk parameters were included in the calculation of weighted risks at June 30, 2023 for the retail category and at September 30, 2023 for the corporate category.

GRAPH 14: SHARE OF GROSS EXPOSURES UNDER THE ADVANCED AND STANDARDIZED METHODS

Measure on the scope of Institutions, corporate and retail customers.



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 implemented for all Crédit Mutuel group entities, including CIC. 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, CIC 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 borrower, and all individual commitments of borrowers 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.

CIC 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. CIC 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.

CIC 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);
- hedge accounting, apart from macro-hedging transactions (phase 3).

It should be noted that CIC 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, CIC 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

CIC 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 CIC, this involves measuring the risk at the level of the borrower, where the CIC counterparty rating system is common to the entire group.

All of CIC'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 CIC 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 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 less the relative tolerance of CIC 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, CIC has opted for the operational simplification proposed by the standard, which allows low-risk outstandings 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 these quantitative criteria CIC adds qualitative ones such as installments unpaid or late by more than 30 days and the fact that a loan has been restructured.

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 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;
- and 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 in the economy 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 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 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. At December 31, 2023, CIC had also deployed 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 CIC’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 benefited from a State guarantee of up to 90%.

TABLE 17: 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

CIC applies the EBA guidelines concerning legislative and non-legislative moratoria 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, CIC chose to massively support its corporate and professional customers by granting automatic extensions of maturities.

TABLE 18: 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 19: 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 CIC (*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 CIC 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 20: MATURITY OF NET ON- AND OFF-BALANCE SHEET EXPOSURES (EU CR1-A)

	Net value of exposures					
12/31/2023 *(in € millions)*	Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No maturity stated	Total
Loans and advances	100,210	56,047	129,796	127,068	5,483	418,604
Debt securities	895	2,417	5,236	6,920	6,498	21,966
TOTAL	**101,105**	**58,464**	**135,033**	**133,987**	**11,981**	**440,570**

	Net value of exposures					
12/31/2022 *(in € millions)*	Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No maturity stated	Total
Loans and advances	115,985	54,634	124,239	121,558	8,132	424,548
Debt securities	732	2,042	4,401	5,803	5,269	18,248
TOTAL	**116,716**	**56,676**	**128,640**	**127,361**	**13,402**	**442,795**

TABLE 21: CREDIT QUALITY OF FORBORNE EXPOSURES (EU CQ1)

12/31/2023 *(in € millions)*	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	
	Gross restructured performing loans	Restructured non-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	932	1,722	1,722	1,722	-33	-631	1,593	951
Central banks	0	0	0	0	0	0	0	0
Public administration	0	3	3	3	0	0	2	2
Credit institutions	6	0	0	0	0	0	0	0
Other financial corporations	87	94	94	94	-5	-74	84	16
Non-financial corporations	700	1,398	1,398	1,398	-24	-488	1,247	792
Households	139	227	227	227	-4	-69	260	141
DEBT INSTRUMENTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOAN COMMITMENTS GIVEN	**24**	**74**	**74**	**74**	**-4**	**0**	**16**	**0**
TOTAL	**957**	**1,797**	**1,797**	**1,797**	**-37**	**-631**	**1,609**	**951**

12/31/2022 *(in € millions)*	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	
	Gross restructured performing loans	Restructured non-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	1,183	1,513	1,513	1,513	-45	-514	1,703	874
Central banks	0	0	0	0	0	0	0	0
Public administration	0	3	3	3	0	0	3	3
Credit institutions	2	0	0	0	0	0	0	0
Other financial corporations	65	79	79	79	-6	-65	60	12
Non-financial corporations	947	1,222	1,222	1,222	-33	-388	1,355	724
Households	170	210	210	210	-6	-61	285	135
DEBT INSTRUMENTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOAN COMMITMENTS GIVEN	**22**	**68**	**68**	**68**	**0**	**0**	**15**	**0**
TOTAL	**1,206**	**1,581**	**1,581**	**1,581**	**-46**	**-514**	**1,718**	**874**

TABLE 22: QUALITY OF RENEGOTIATION (FORBEARANCE) (EU CQ2)

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

TABLE 23: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY REMAINING MATURITY (EU CQ3)

	Gross carrying amount/nominal amount											
	Performing loans			Non-performing loans								
12/31/2023 *(in € millions)*		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	**53,413**	**53,413**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOANS AND ADVANCES	**287,332**	**286,409**	**923**	**6,946**	**2,223**	**320**	**489**	**2,436**	**647**	**214**	**618**	**6,946**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,625	1,575	50	13	7	0	3	0	0	2	0	13
Credit institutions	37,696	37,693	3	5	4	0	0	0	0	0	0	5
Other financial corporations	13,945	13,932	13	177	53	4	7	31	67	8	6	177
Non-financial corporations	152,046	151,278	768	5,871	1,800	271	433	2,218	515	168	465	5,871
Of which SMEs	124,890	124,322	568	4,865	1,314	218	380	1,868	456	167	463	4,865
Households	82,021	81,932	89	880	359	43	46	186	65	35	146	880
DEBT INSTRUMENTS	**24,764**	**24,764**	**0**	**81**	**81**	**0**	**0**	**0**	**0**	**0**	**0**	**81**
Central banks	1,664	1,664	0	0	0	0	0	0	0	0	0	0
Public administration	8,135	8,135	0	0	0	0	0	0	0	0	0	0
Credit institutions	3,910	3,910	0	1	1	0	0	0	0	0	0	1
Other financial corporations	9,384	9,384	0	2	2	0	0	0	0	0	0	2
Non-financial corporations	1,671	1,671	0	78	78	0	0	0	0	0	0	78
OFF-BALANCE SHEET COMMITMENTS	**75,721**	**-**	**-**	**427**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**427**
Central banks	7	-	-	0	-	-	-	-	-	-	-	0
Public administration	3,356	-	-	0	-	-	-	-	-	-	-	0
Credit institutions	4,552	-	-	35	-	-	-	-	-	-	-	35
Other financial corporations	2,706	-	-	3	-	-	-	-	-	-	-	3
Non-financial corporations	56,040	-	-	383	-	-	-	-	-	-	-	383
Households	9,061	-	-	5	-	-	-	-	-	-	-	5
TOTAL	**441,230**	**364,586**	**923**	**7,454**	**2,303**	**320**	**489**	**2,436**	**647**	**214**	**618**	**7,454**

	Gross carrying amount/nominal amount											
	Performing loans			Non-performing loans								
12/31/2022 *(in € millions)*		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	**71,506**	**71,506**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOANS AND ADVANCES	**272,095**	**271,169**	**925**	**5,798**	**1,760**	**280**	**230**	**2,013**	**652**	**238**	**624**	**5,798**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,650	1,585	65	21	15	0	1	0	4	0	0	21
Credit institutions	34,540	34,535	5	1	0	0	0	0	0	0	0	1
Other financial corporations	8,820	8,814	6	151	18	3	3	46	68	6	7	151
Non-financial corporations	147,681	146,913	768	4,868	1,455	249	193	1,809	505	186	471	4,868
Of which SMEs	*120,303*	*119,769*	*534*	*3,916*	*1,036*	*209*	*169*	*1,503*	*346*	*185*	*467*	*3,916*
Households	79,404	79,322	82	757	272	28	33	158	74	46	146	757
DEBT INSTRUMENTS	**22,008**	**22,006**	**2**	**76**	**76**	**0**	**0**	**0**	**0**	**0**	**0**	**76**
Central banks	1,081	1,081	0	0	0	0	0	0	0	0	0	0
Public administration	6,918	6,918	0	0	0	0	0	0	0	0	0	0
Credit institutions	3,408	3,408	0	1	1	0	0	0	0	0	0	1
Other financial corporations	9,018	9,018	0	2	2	0	0	0	0	0	0	2
Non-financial corporations	1,583	1,581	2	73	73	0	0	0	0	0	0	73
OFF-BALANCE SHEET COMMITMENTS	**74,691**	**-**	**-**	**386**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**386**
Central banks	13	-	-	0	-	-	-	-	-	-	-	0
Public administration	2,333	-	-	0	-	-	-	-	-	-	-	0
Credit institutions	4,163	-	-	63	-	-	-	-	-	-	-	63
Other financial corporations	2,775	-	-	1	-	-	-	-	-	-	-	1
Non-financial corporations	55,629	-	-	315	-	-	-	-	-	-	-	315
Households	9,777	-	-	7	-	-	-	-	-	-	-	7
TOTAL	**440,300**	**364,681**	**928**	**6,260**	**1,836**	**280**	**230**	**2,013**	**652**	**238**	**624**	**6,260**

TABLE 24: CREDIT QUALITY OF EXPOSURES BY GEOGRAPHIC AREA (EU CQ4)

12/31/2023 *(in € millions)*	Total outstandings/gross nominal amount	Of which non-performing loans	Of which loans in default	Of which loans subject to impairment	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
BALANCE SHEET EXPOSURE	**319,123**	**7,027**	**7,027**	**318,128**	**-3,682**	**0**	**0**
France	257,301	6,076	6,076	256,516	-3,313	-	0
Switzerland	10,341	398	398	10,332	-93	-	0
United States Of America	10,241	46	46	10,238	-50	-	0
Luxembourg	7,864	138	138	7,812	-66	-	0
United Kingdom	3,572	36	36	3,567	-19	-	0
Germany	3,521	14	14	3,504	-9	-	0
Singapore	3,442	1	1	3,442	-1	-	0
Ireland	3,033	16	16	3,030	-7	-	0
Australia	2,327	1	1	2,327	-2	-	0
The Netherlands	2,065	3	3	2,051	-5	-	0
Belgium	2,017	46	46	1,948	-40	-	0
Japan	1,838	58	58	1,838	-10	-	0
Spain	1,332	7	7	1,324	-6	-	0
Canada	1,022	0	0	1,010	-3	-	0
Other countries	9,210	187	187	9,191	-58	-	0
OFF-BALANCE SHEET EXPOSURE	**76,148**	**427**	**427**	**0**	**0**	**343**	**0**
France	55,344	420	420	-	-	302	-
United States Of America	5,136	0	0	-	-	3	-
Switzerland	3,193	0	0	-	-	5	-
United Kingdom	1,950	0	0	-	-	4	-
Luxembourg	1,665	6	6	-	-	10	-
The Netherlands	1,275	0	0	-	-	1	-
Singapore	1,124	0	0	-	-	1	-
Australia	1,088	0	0	-	-	1	-
Other countries	5,373	0	0	-	-	18	-
TOTAL	**395,271**	**7,454**	**7,454**	**318,128**	**-3,682**	**343**	**0**

Countries with 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	Accumu-lated 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	**299,977**	**5,874**	**5,874**	**299,222**	**-3,386**	**-**	**0**
France	242,601	5,151	5,151	241,919	-3,071	-	0
Switzerland	9,537	262	262	9,537	-73	-	0
United States of America	9,069	32	32	9,065	-52	-	0
Luxembourg	6,522	36	36	6,508	-48	-	0
Germany	3,621	48	48	3,621	-7	-	0
Singapore	3,350	0	0	3,350	-1	-	0
United Kingdom	3,123	33	33	3,124	-23	-	0
Ireland	2,585	20	20	2,585	-7	-	0
Belgium	1,983	51	51	1,947	-45	-	0
Australia	1,944	1	1	1,944	-3	-	0
The Netherlands	1,603	2	2	1,603	-6	-	0
Hong Kong	1,415	0	0	1,415	-1	-	0
Japan	1,387	70	70	1,387	-11	-	0
Canada	1,289	1	1	1,275	-5	-	0
Spain	1,256	12	12	1,256	-5	-	0
Other countries	8,692	154	154	8,688	-29	-	0
OFF-BALANCE SHEET EXPOSURE	**75,077**	**386**	**386**	**0**	**0**	**297**	**0**
France	56,302	385	385	-	-	269	-
United States of America	4,065	0	0	-	-	3	-
Switzerland	3,068	0	0	-	-	3	-
Luxembourg	1,954	1	1	-	-	3	-
United Kingdom	1,704	0	0	-	-	6	-
The Netherlands	1,250	0	0	-	-	1	-
Other countries	6,734	0	0	-	-	12	-
TOTAL	**375,054**	**6,260**	**6,260**	**299,222**	**-3,386**	**297**	**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 25: CREDIT QUALITY OF LOANS AND ADVANCES GRANTED TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (EU CQ5)

12/31/2023 *(in € millions)*	Gross carrying amount	Of which non-performing		Of which loans and advances subject to impairment	Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted			
Agriculture, forestry and fishing	4,044	129	129	4,044	-71	0
Extractive industries	531	11	11	531	-6	0
Manufacturing industry	11,273	673	673	11,273	-317	0
Production and distribution of electricity, gas, steam and air conditioning	2,624	42	42	2,624	-21	0
Water production and distribution	789	23	23	789	-13	0
Construction	8,101	548	548	8,101	-264	0
Retail	12,546	782	782	12,546	-432	0
Transport and storage	7,418	136	136	7,416	-68	0
Accommodation and catering	4,277	405	405	4,277	-187	0
Information and communication	2,732	113	113	2,732	-48	0
Financial and insurance activities	11,738	475	475	11,738	-289	0
Real estate activities	50,076	1,084	1,084	50,076	-545	0
Professional, scientific and technical activities	16,088	715	715	16,088	-340	0
Administrative and support services activities	6,240	215	215	6,240	-112	0
Public administration and defense, compulsory social security	93	0	0	93	0	0
Teaching	900	18	18	900	-10	0
Human health and social action	4,835	64	64	4,835	-43	0
Arts, entertainment and recreational activities	858	55	55	858	-28	0
Other services	12,756	385	385	12,756	-223	0
TOTAL	**157,917**	**5,871**	**5,871**	**157,915**	**-3,019**	**0**

12/31/2022 *(in € millions)*	Gross carrying amount	Of which non-performing		Of which loans and advances subject to impairment	Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted			
Agriculture, forestry and fishing	3,786	128	128	3,786	-78	0
Extractive industries	486	2	2	486	-1	0
Manufacturing industry	12,107	653	653	12,107	-276	0
Production and distribution of electricity, gas, steam and air conditioning	2,416	35	35	2,416	-23	0
Water production and distribution	753	17	17	753	-11	0
Construction	8,588	387	387	8,588	-210	0
Retail	12,863	730	730	12,863	-398	0
Transport and storage	6,702	169	169	6,700	-74	0
Accommodation and catering	4,251	359	359	4,251	-167	0
Information and communication	2,483	77	77	2,483	-47	0
Financial and insurance activities	11,005	275	275	11,005	-217	0
Real estate activities	47,016	883	883	47,016	-551	0
Professional, scientific and technical activities	14,978	594	594	14,978	-280	0
Administrative and support services activities	5,957	215	215	5,957	-113	0
Public administration and defense, compulsory social security	99	0	0	99	0	0
Teaching	875	18	18	875	-11	0
Human health and social action	4,762	57	57	4,762	-50	0
Arts, entertainment and recreational activities	850	53	53	850	-30	0
Other services	12,571	215	215	12,571	-173	0
TOTAL	**152,548**	**4,868**	**4,868**	**152,546**	**-2,711**	**0**

TABLE 26: MEASUREMENT OF COLLATERAL: LOANS AND ADVANCES (EU CQ6)

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

TABLE 27: 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	4	-1	5	-1
Residential real estate property	4	-1	5	-1
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	**4**	**-1**	**5**	**-1**

TABLE 28: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION: BREAKDOWN BY ISSUE DATE (CQ8)

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

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TABLE 29: 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
005 - DEMAND ACCOUNTS WITH CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**53,413**	**53,404**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010 - LOANS AND ADVANCES	**287,332**	**271,777**	**15,475**	**6,946**	**0**	**6,784**	**-933**	**-338**	**-595**	**-2,673**	**0**	**-2,639**	**0**	**193,584**	**3,463**
020 - Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
030 - Public administration	1,625	1,586	39	13	0	10	0	0	0	-2	0	-2	0	1,019	5
040 - Credit institutions	37,696	37,696	0	5	0	5	-1	-1	0	0	0	0	0	1,520	0
050 - Other financial corporations	13,945	13,547	382	177	0	176	-36	-21	-15	-118	0	-118	0	7,222	54
060 - Non-financial corporations	152,046	141,802	10,183	5,871	0	5,720	-754	-290	-464	-2,265	0	-2,234	0	108,927	2,867
070 - Of which: small- and medium-sized enterprises	*124,890*	*115,785*	*9,045*	*4,865*	*0*	*4,730*	*-609*	*-231*	*-377*	*-1,924*	*0*	*-1,895*	*0*	*95,320*	*2,322*
080 – Households	82,021	77,146	4,871	880	0	873	-141	-26	-116	-287	0	-285	0	74,895	536
090 - DEBT INSTRUMENTS	**24,764**	**23,772**	**14**	**81**	**0**	**81**	**-18**	**-17**	**-1**	**-61**	**0**	**-58**	**0**	**0**	**0**
100 - Central banks	1,664	1,664	0	0	0	0	0	0	0	0	0	0	0	0	0
110 - Public administration	8,135	8,135	0	0	0	0	-5	-5	0	0	0	0	0	0	0
120 - Credit institutions	3,910	3,798	0	1	0	1	-2	-2	0	-1	0	-1	0	0	0
130 - Other financial corporations	9,384	9,132	1	2	0	2	-9	-9	0	-1	0	-1	0	0	0
140 - Non-financial corporations	1,671	1,043	13	78	0	78	-2	-2	-1	-59	0	-56	0	0	0
150 - OFF-BALANCE SHEET OUTSTANDINGS	**75,721**	**74,304**	**1,416**	**427**	**0**	**357**	**-190**	**-105**	**-85**	**-152**	**0**	**-152**	**-**	**15,611**	**113**
160 - Central banks	7	7	0	0	0	0	0	0	0	0	0	0	-	0	0
170 - Public administration	3,356	3,356	0	0	0	0	0	0	0	0	0	0	-	518	0
180 - Credit institutions	4,552	4,374	178	35	0	35	-3	-2	-1	-16	0	-16	-	103	3
190 - Other financial corporations	2,706	2,649	57	3	0	3	-8	-6	-2	-1	0	-1	-	716	1
200 – Non-financial corporations	56,040	55,185	854	383	0	314	-177	-95	-81	-135	0	-135	-	12,275	107
210 – Households	9,061	8,734	327	5	0	5	-3	-2	-1	0	0	0	-	1,999	3
TOTAL	**441,230**	**423,257**	**16,914**	**7,454**	**0**	**7,222**	**-1,142**	**-460**	**-681**	**-2,886**	**0**	**-2,849**	**0**	**209,195**	**3,576**

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	**71,506**	**71,501**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOANS AND ADVANCES	**272,095**	**254,656**	**17,392**	**5,798**	**0**	**5,596**	**-1,048**	**-360**	**-687**	**-2,268**	**0**	**-2,233**	**0**	**186,828**	**2,842**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,650	1,617	33	21	0	17	0	0	0	-2	0	-2	0	1,108	13
Credit institutions	34,540	34,531	9	1	0	1	-3	-2	0	0	0	0	0	820	0
Other financial corporations	8,820	8,444	364	151	0	150	-30	-18	-12	-95	0	-95	0	6,493	53
Non-financial corporations	147,681	134,987	12,664	4,868	0	4,677	-828	-301	-526	-1,883	0	-1,852	0	105,924	2,351
of which: small- and medium-sized enterprises	*120,303*	*109,401*	*10,877*	*3,916*	*0*	*3,739*	*-642*	*-219*	*-421*	*-1,562*	*0*	*-1,532*	*0*	*89,164*	*1,862*
Households	79,404	75,077	4,321	757	0	750	-188	-39	-148	-287	0	-285	0	72,482	425
DEBT INSTRUMENTS	**22,008**	**21,241**	**27**	**76**	**0**	**76**	**-17**	**-16**	**-1**	**-53**	**0**	**-53**	**0**	**0**	**0**
Central banks	1,081	1,081	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	6,918	6,918	0	0	0	0	-4	-4	0	0	0	0	0	0	0
Credit institutions	3,408	3,381	0	1	0	1	-1	-1	0	-1	0	-1	0	0	0
Other financial corporations	9,018	9,016	1	2	0	2	-10	-10	0	-1	0	-1	0	0	0
Non-financial corporations	1,583	844	26	73	0	73	-1	-1	-1	-51	0	-51	0	0	0
OFF-BALANCE SHEET OUTSTANDINGS	**74,691**	**72,738**	**1,952**	**386**	**0**	**383**	**-172**	**-91**	**-81**	**-126**	**0**	**-126**	**0**	**16,925**	**73**
Central banks	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	2,333	2,333	0	0	0	0	0	0	0	0	0	0	0	666	0
Credit institutions	4,163	4,013	150	63	0	63	-6	-2	-4	-1	0	-1	0	100	3
Other financial corporations	2,775	2,723	52	1	0	1	-8	-6	-2	-1	0	-1	0	469	0
Non-financial corporations	55,629	54,167	1,462	315	0	313	-154	-81	-73	-123	0	-123	0	13,144	67
Households	9,777	9,489	288	7	0	6	-4	-3	-2	0	0	0	0	2,546	3
TOTAL	**440,300**	**420,137**	**19,376**	**6,260**	**0**	**6,055**	**-1,237**	**-467**	**-769**	**-2,447**	**0**	**-2,412**	**0**	**203,752**	**2,915**

TABLE 30: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (EU CR2)

(in € millions)	12/31/2023 Gross carrying amount	12/31/2022 Gross carrying amount
INITIAL STOCK OF NON-PERFORMING LOANS AND ADVANCES	**5,798**	**5,300**
Additions to non-performing portfolios	2,676	2,279
Exits from non-performing portfolios	-1,528	-1,782
Exits due to losses	-167	*-225*
Exits due to other reasons	-1,362	*-1,556*
FINAL STOCK OF NON-PERFORMING LOANS AND ADVANCES	**6,946**	**5,798**

TABLE 31: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES AND ASSOCIATED CUMULATIVE NET RECOVERIES (EU CR2A)

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

5.8.4 Standardized approach (EU CRD)

Exposures treated using the standardized method are given in the table below.

CIC uses 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. Since September 2017, it 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 32: BREAKDOWN OF EXPOSURES UNDER THE STANDARDIZED APPROACH (EU CR5)

12/31/2023 *(in € millions)*	Weighting																	
Category of exposure	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Other**	**Deducted**	**Total**	**Of which not rated**
1 – Central governments and central banks	62,589	0	0	0	838	0	205	0	0	37	0	243	0	0	0	0	63,913	0
2 - Regional or local authorities	72	0	0	0	207	0	7	0	0	0	0	0	0	0	0	0	286	0
3 - Public sector (Public organizations excluding central governments)	15,226	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,226	0
4 - Multilateral development banks	290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	290	0
5 - International organizations	213	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	0
6 - Institutions (banks)	4,643	0	0	0	1,048	0	17	0	0	112	0	0	0	0	0	0	5,820	0
7 - Companies	0	0	0	0	373	0	1,188	0	0	8,833	0	0	0	0	0	0	10,394	0
8 - Retail customers	0	0	0	0	0	0	0	0	2,531	0	0	0	0	0	0	0	2,531	0
9 - Exposures secured by real estate mortgages	0	0	0	0	0	5,398	3,024	0	203	609	0	0	0	0	0	0	9,234	0
10 - Exposures in default	3	0	0	0	0	0	0	0	0	770	408	0	0	0	0	0	1,182	0
11 - Exposures presenting a particularly high risk	0	0	0	0	0	0	0	0	0	0	2,003	0	0	0	0	0	2,003	0
12 - Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	132	0	0	0	0	0	1	0	0	8	198	0	0	20	0	0	359	0
15 - Equity exposure	0	0	0	0	0	0	0	0	0	275	0	0	0	0	0	0	275	0
16 - Other assets	0	0	0	0	8	0	29	0	0	915	0	0	0	0	43	0	996	0
TOTAL	**83,169**	**0**	**0**	**0**	**2,474**	**5,398**	**4,471**	**0**	**2,734**	**11,559**	**2,609**	**243**	**0**	**20**	**43**	**0**	**112,720**	**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 CIC limited to high-quality counterparties.

12/31/2022 *(in € millions)* Category of exposure	Weighting 0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted	Total	Of which not rated
1 – Central governments and central banks	83,717	0	0	0	280	0	263	0	0	23	3	169	0	0	0	0	84,457	0
2 – Regional or local authorities	41	0	0	0	284	0	0	0	0	0	0	0	0	0	0	0	325	0
3 – Public sector (Public organizations excluding central governments)	13,025	0	0	0	44	0	0	0	0	0	0	0	0	0	0	0	13,069	0
4 – Multilateral development banks	564	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	564	0
5 – International organizations	208	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	208	0
6 – Institutions (banks)	3,974	0	0	0	1,305	0	30	0	0	10	0	0	0	0	0	0	5,320	0
7 – Companies	0	0	0	0	377	0	1,336	0	0	9,032	16	0	0	0	0	0	10,761	0
8 – Retail customers	0	0	0	0	0	0	0	0	2,499	0	0	0	0	0	0	0	2,499	0
9 – Exposures secured by real estate mortgages	0	0	0	0	0	6,057	2,280	0	209	574	0	0	0	0	0	0	9,120	0
10 – Exposures in default	8	0	0	0	0	0	0	0	0	415	369	0	0	0	0	0	792	0
11 – Exposures presenting a particularly high risk	0	0	0	0	0	0	0	0	0	0	1,734	0	0	0	0	0	1,734	0
12 – Covered bonds	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	5	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	162	152	0	0	19	0	0	454	0
15 – Equity exposure	0	0	0	0	0	0	0	0	0	110	0	0	0	0	0	0	110	0
16 – Other assets	0	0	0	0	10	0	44	0	0	940	0	0	0	0	52	0	1,046	0
17 – TOTAL	**101,656**	**0**	**0**	**0**	**2,301**	**6,057**	**3,960**	**0**	**2,709**	**11,266**	**2,275**	**169**	**0**	**19**	**52**	**0**	**130,463**	**0**

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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 "mass" corporate and retail scopes, LGD is calculated separately for each class, the classes being defined according to the type of loan, the nature of the collateral, the type of borrower and the functioning characteristics. 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.

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 and would therefore be exposed in the event of default and the portion of said credit currently undrawn.

In the case of the wholesale corporate and retail customers books, CIC 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 CIC 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, Spec. project financing: 4 models according to the industry, Spec. real estate financing: 1 model	Expert-type models based on a grid containing qualitative and quantitative variables
		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	Expert-type model dependent on the counterparty and the contract, based on qualitative and quantitative information
	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

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TABLE 33: IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6) – IRBA METHOD

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	3,235	983	0	3,453
	0.25 to <0.50	9,678	1,949	0	10,062
	0.50 to <0.75	3,470	222	38	3,576
	0.75 to <2.50	17,626	3,625	40	18,271
	of which [0.75 to <1.75]	12,951	2,607	39	13,371
	of which [1.75 to <2.50]	4,675	1,018	42	4,900
	2.50 to <10.00	9,162	1,864	45	9,442
	of which [2.50 to <5.00]	6,799	1,472	45	7,059
	of which [5.00 to <10.00]	2,363	392	43	2,383
	10.00 to <100.00	1,253	216	33	1,167
	of which [10.00 to <20.00]	579	74	38	552
	of which [20.00 to <30.00]	641	135	42	580
	of which [30.00 to <100.00]	32	7	29	35
	100.00 (default)	1,724	202	78	1,464
	Subtotal	**46,149**	**9,062**	**41**	**47,435**
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	1,559	26.77	2.5	945	27	2	1
0.38	6,001	23.54	2.5	3,037	30	9	4
0.67	2,091	18.60	2.5	1,056	30	4	3
1.40	10,964	24.01	2.5	9,295	51	60	48
1.17	7,865	24.49	2.5	6,595	49	38	27
2.01	3,099	22.71	2.5	2,700	55	22	21
4.32	4,973	25.29	2.5	7,313	77	101	109
3.47	3,565	26.09	2.5	5,304	75	64	74
6.81	1,408	22.92	2.5	2,009	84	37	35
19.70	961	23.74	2.5	1,348	115	54	75
12.06	444	24.65	2.5	586	106	16	19
25.89	480	23.17	2.5	723	125	35	54
37.76	37	18.93	2.4	39	112	2	1
100.00	1,564	67.81	2.5	616	42	960	859
5.12	**28,113**	**25.30**	**2.5**	**23,609**	**50**	**1,192**	**1,099**
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	1,442	373	0	1,504
	0.25 to <0.50	5,769	773	0	5,896
	0.50 to <0.75	2,917	187	41	3,009
	0.75 to <2.50	9,671	1,196	43	9,779
	of which [0.75 to <1.75]	7,398	848	42	7,442
	of which [1.75 to <2.50]	2,273	347	47	2,337
	2.50 to <10.00	3,985	491	52	4,000
	of which [2.50 to <5.00]	3,203	404	51	3,235
	of which [5.00 to <10.00]	783	87	54	765
	10.00 to <100.00	575	55	39	528
	of which [10.00 to <20.00]	306	28	40	292
	of which [20.00 to <30.00]	269	28	0	236
	of which [30.00 to <100.00]	0	0	37	0
	100.00 (default)	900	73	89	788
	Subtotal	**25,259**	**3,148**	**45**	**25,505**
RETAIL CUSTOMERS					
	0 to <0.15	74,476	6,584	28	76,303
	of which [0 to <0.10]	47,120	4,959	27	48,440
	of which [0.10 to <0.15]	27,356	1,625	33	27,863
	0.15 to <0.25	1,817	652	24	1,965
	0.25 to <0.50	23,015	2,509	30	23,408
	0.50 to <0.75	10,103	1,204	27	9,740
	0.75 to <2.50	17,043	2,649	32	17,222
	of which [0.75 to <1.75]	13,196	1,680	31	13,059
	of which [1.75 to <2.50]	3,847	970	34	4,163
	2.50 to <10.00	9,940	1,076	31	9,672
	of which [2.50 to <5.00]	4,699	499	32	4,644
	of which [5.00 to <10.00]	5,240	577	30	5,028
	10.00 to <100.00	3,097	151	33	2,907
	of which [10.00 to <20.00]	1,226	71	32	1,154
	of which [20.00 to <30.00]	1,346	41	42	1,355
	of which [30.00 to <100.00]	525	39	27	399
	100.00 (default)	3,169	81	79	2,793
	Subtotal	**142,662**	**14,906**	**29**	**144,010**

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	967	27.69	2.5	350	23	1	0
0.36	4,077	23.18	2.5	1,488	25	5	2
0.67	1,729	18.63	2.5	856	28	4	2
1.42	6,837	25.11	2.5	4,570	47	34	28
1.21	5,261	25.21	2.5	3,345	45	22	16
2.09	1,576	24.76	2.5	1,226	52	12	13
4.01	2,821	25.78	2.5	2,591	65	41	45
3.32	2,167	26.22	2.5	2,049	63	28	29
6.91	654	23.91	2.5	542	71	13	16
18.45	589	23.35	2.5	493	93	23	23
12.07	304	23.90	2.5	255	87	8	10
26.36	285	22.66	2.5	238	101	14	13
0.00	0	0.00	0.0	0	0	0	0
100.00	1,066	64.68	2.5	351	45	490	357
4.82	**18,086**	**25.34**	**2.5**	**10,699**	**42**	**597**	**458**
0.08	1,684,352	14.57	0.0	2,241	3	9	8
0.05	1,280,604	13.86	0.0	949	2	3	3
0.13	403,748	15.81	0.0	1,293	5	6	5
0.18	165,710	22.08	0.0	135	7	1	1
0.32	532,840	18.46	0.0	2,368	10	14	18
0.54	145,707	23.12	0.0	1,657	17	12	28
1.47	516,681	22.09	0.0	4,812	28	55	114
1.25	315,587	23.43	0.0	3,516	27	39	81
2.14	201,094	17.89	0.0	1,296	31	16	33
5.14	298,060	25.68	0.0	4,989	52	129	241
3.53	141,695	24.47	0.0	2,106	45	39	70
6.63	156,365	26.79	0.0	2,883	57	89	171
21.49	104,038	22.63	0.0	2,438	84	147	203
14.71	39,032	24.05	0.0	859	74	42	67
23.26	53,472	18.16	0.0	1,244	92	57	76
35.06	11,534	33.71	0.0	335	84	47	60
100.00	81,599	55.65	0.0	1,085	39	1,473	1,294
3.03	**3,528,987**	**18.49**	**0.0**	**19,726**	**14**	**1,840**	**1,906**

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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: Exposures secured by real estate mortgages					
	0 to <0.15	66,479	1,532	36	67,024
	of which [0 to <0.10]	42,625	1,021	36	42,994
	of which [0.10 to <0.15]	23,854	511	35	24,030
	0.15 to <0.25	216	12	33	220
	0.25 to <0.50	17,936	404	34	18,074
	0.50 to <0.75	5,354	104	34	5,390
	0.75 to <2.50	10,480	368	33	10,602
	of which [0.75 to <1.75]	7,499	222	32	7,570
	of which [1.75 to <2.50]	2,981	147	34	3,032
	2.50 to <10.00	4,967	122	32	5,006
	of which [2.50 to <5.00]	2,561	61	33	2,581
	of which [5.00 to <10.00]	2,407	61	30	2,425
	10.00 to <100.00	1,748	23	34	1,756
	of which [10.00 to <20.00]	607	10	34	611
	of which [20.00 to <30.00]	1,099	11	35	1,103
	of which [30.00 to <100.00]	42	2	25	42
	100.00 (default)	1,169	7	34	1,173
	Subtotal	**108,351**	**2,574**	**35**	**109,244**
Of which: SMEs					
	0 to <0.15	6,710	152	32	6,758
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	6,710	152	32	6,758
	0.15 to <0.25	87	3	26	88
	0.25 to <0.50	4,508	111	31	4,543
	0.50 to <0.75	645	20	25	650
	0.75 to <2.50	4,399	148	30	4,443
	of which [0.75 to <1.75]	3,419	119	30	3,455
	of which [1.75 to <2.50]	980	29	30	988
	2.50 to <10.00	1,847	69	28	1,867
	of which [2.50 to <5.00]	867	30	30	876
	of which [5.00 to <10.00]	980	39	27	990
	10.00 to <100.00	507	9	30	510
	of which [10.00 to <20.00]	243	5	31	244
	of which [20.00 to <30.00]	224	2	32	225
	of which [30.00 to <100.00]	41	2	25	41
	100.00 (default)	355	3	33	356
	Subtotal	**19,057**	**513**	**30**	**19,214**

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
0.08	418,873	13.24	0.0	1,815	3	7	7
0.05	284,640	12.40	0.0	761	2	2	2
0.13	134,233	14.75	0.0	1,054	4	5	5
0.18	1,717	15.79	0.0	13	6	0	0
0.32	101,647	15.44	0.0	1,625	9	9	13
0.55	38,807	16.29	0.0	771	14	5	14
1.48	53,993	17.17	0.0	2,861	27	27	67
1.20	37,710	17.67	0.0	1,848	24	16	40
2.17	16,283	15.93	0.0	1,013	33	10	27
5.07	26,327	18.47	0.0	2,956	59	47	121
3.64	13,570	17.92	0.0	1,267	49	17	42
6.58	12,757	19.05	0.0	1,689	70	31	80
20.36	10,486	16.89	0.0	1,675	95	61	102
13.93	3,368	17.50	0.0	542	89	15	31
23.35	6,918	16.00	0.0	1,068	97	41	64
35.05	200	30.99	0.0	65	152	5	7
100.00	9,071	44.85	0.0	454	39	492	319
1.90	**660,921**	**14.78**	**0.0**	**12,169**	**11**	**648**	**643**
0.13	35,682	15.97	0.0	263	4	1	1
0.00	0	0.00	0.0	0	0	0	0
0.13	35,682	15.97	0.0	263	4	1	1
0.18	614	15.43	0.0	4	5	0	0
0.40	20,569	17.13	0.0	438	10	3	4
0.53	2,862	28.52	0.0	129	20	1	2
1.40	20,255	19.27	0.0	1,117	25	12	26
1.17	15,540	19.95	0.0	826	24	8	17
2.18	4,715	16.91	0.0	292	30	4	9
5.66	8,455	23.39	0.0	1,251	67	24	57
3.84	4,024	22.62	0.0	468	53	7	15
7.27	4,431	24.07	0.0	783	79	17	42
21.94	2,716	19.58	0.0	466	91	22	43
14.47	1,262	20.30	0.0	218	90	7	17
27.66	1,266	16.64	0.0	185	82	10	19
35.07	188	31.46	0.0	63	154	5	7
100.01	2,432	45.66	0.0	115	32	154	104
3.46	**93,585**	**18.80**	**0.0**	**3,783**	**20**	**218**	**236**

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	59,769	1,381	36	60,266
	of which [0 to <0.10]	42,625	1,021	36	42,994
	of which [0.10 to <0.15]	17,144	359	36	17,272
	0.15 to <0.25	129	9	36	133
	0.25 to <0.50	13,428	293	35	13,531
	0.50 to <0.75	4,710	85	36	4,740
	0.75 to <2.50	6,081	221	35	6,159
	of which [0.75 to <1.75]	4,080	103	35	4,115
	of which [1.75 to <2.50]	2,002	118	35	2,043
	2.50 to <10.00	3,120	53	36	3,139
	of which [2.50 to <5.00]	1,693	31	36	1,704
	of which [5.00 to <10.00]	1,427	22	35	1,435
	10.00 to <100.00	1,241	14	36	1,246
	of which [10.00 to <20.00]	365	5	36	367
	of which [20.00 to <30.00]	875	9	36	878
	of which [30.00 to <100.00]	1	0	0	1
	100.00 (default)	814	5	34	818
	Subtotal	**89,294**	**2,060**	**36**	**90,031**
Of which: Revolving					
	0 to <0.15	1,266	3,225	5	1,415
	of which [0 to <0.10]	998	2,818	5	1,128
	of which [0.10 to <0.15]	268	406	5	286
	0.15 to <0.25	237	368	5	255
	0.25 to <0.50	602	686	5	635
	0.50 to <0.75	128	104	5	133
	0.75 to <2.50	612	457	5	636
	of which [0.75 to <1.75]	342	280	5	356
	of which [1.75 to <2.50]	271	177	5	280
	2.50 to <10.00	324	139	5	332
	of which [2.50 to <5.00]	176	88	5	180
	of which [5.00 to <10.00]	149	51	6	151
	10.00 to <100.00	105	20	6	106
	of which [10.00 to <20.00]	45	10	6	46
	of which [20.00 to <30.00]	60	10	6	60
	of which [30.00 to <100.00]	0	0	5	0
	100.00 (default)	80	0	5	80
	Subtotal	**3,354**	**4,998**	**5**	**3,591**

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	383,191	12.94	0.0	1,552	3	6	6
0.05	284,640	12.40	0.0	761	2	2	2
0.13	98,551	14.27	0.0	791	5	3	3
0.18	1,103	16.04	0.0	9	7	0	0
0.29	81,078	14.87	0.0	1,187	9	6	9
0.55	35,945	14.62	0.0	642	14	4	12
1.54	33,738	15.66	0.0	1,743	28	15	41
1.23	22,170	15.75	0.0	1,022	25	8	23
2.16	11,568	15.46	0.0	721	35	7	18
4.71	17,872	15.54	0.0	1,705	54	23	65
3.54	9,546	15.51	0.0	799	47	9	27
6.11	8,326	15.58	0.0	906	63	14	38
19.71	7,770	15.78	0.0	1,209	97	39	59
13.58	2,106	15.65	0.0	323	88	8	14
22.25	5,652	15.84	0.0	884	101	31	45
34.37	12	17.35	0.0	2	114	0	0
100.01	6,639	44.50	0.0	339	41	338	215
1.57	**567,336**	**13.92**	**0.0**	**8,385**	**9**	**430**	**407**
0.07	281,171	32.60	0.0	23	2	0	0
0.06	241,473	32.60	0.0	16	1	0	0
0.13	39,698	32.60	0.0	8	3	0	0
0.17	47,857	32.60	0.0	9	3	0	0
0.35	100,398	32.60	0.0	38	6	1	1
0.55	16,538	32.59	0.0	12	9	0	0
1.45	115,806	32.61	0.0	116	18	3	2
1.07	60,184	32.60	0.0	52	15	1	1
1.94	55,622	32.60	0.0	64	23	2	1
4.72	59,913	32.61	0.0	139	42	5	4
3.42	30,921	32.60	0.0	61	34	2	1
6.27	28,992	32.61	0.0	77	51	3	2
18.92	19,945	32.59	0.0	98	92	7	4
15.64	8,073	32.64	0.0	39	85	2	1
21.32	11,757	32.60	0.0	59	97	4	2
36.08	115	33.49	0.0	0	111	0	0
100.01	12,469	56.28	0.0	53	66	41	51
3.60	**654,097**	**33.13**	**0.0**	**487**	**14**	**57**	**62**

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	6,732	1,827	64	7,865
	of which [0 to <0.10]	3,497	1,120	73	4,318
	of which [0.10 to <0.15]	3,235	707	49	3,546
	0.15 to <0.25	1,363	272	50	1,490
	0.25 to <0.50	4,478	1,419	41	4,700
	0.50 to <0.75	4,621	996	29	4,217
	0.75 to <2.50	5,951	1,824	38	5,984
	of which [0.75 to <1.75]	5,356	1,178	36	5,133
	of which [1.75 to <2.50]	595	646	42	851
	2.50 to <10.00	4,648	815	35	4,334
	of which [2.50 to <5.00]	1,963	350	38	1,883
	of which [5.00 to <10.00]	2,685	465	32	2,452
	10.00 to <100.00	1,244	108	38	1,045
	of which [10.00 to <20.00]	574	51	36	497
	of which [20.00 to <30.00]	188	20	63	192
	of which [30.00 to <100.00]	482	37	27	356
	100.00 (default)	1,920	73	84	1,540
	Subtotal	**30,957**	**7,334**	**44**	**31,174**
Of which: SMEs					
	0 to <0.15	1,213	266	27	1,252
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	1,213	266	27	1,252
	0.15 to <0.25	910	111	24	927
	0.25 to <0.50	2,595	867	24	2,447
	0.50 to <0.75	4,070	890	24	3,592
	0.75 to <2.50	4,852	909	26	4,421
	of which [0.75 to <1.75]	4,479	818	26	4,036
	of which [1.75 to <2.50]	373	91	28	384
	2.50 to <10.00	4,078	673	26	3,658
	of which [2.50 to <5.00]	1,621	266	27	1,478
	of which [5.00 to <10.00]	2,457	407	26	2,180
	10.00 to <100.00	1,069	89	28	854
	of which [10.00 to <20.00]	496	42	29	413
	of which [20.00 to <30.00]	90	9	31	85
	of which [30.00 to <100.00]	482	37	27	356
	100.00 (default)	1,646	67	85	1,263
	Subtotal	**20,433**	**3,872**	**26**	**18,414**

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
0.09	984,308	22.68	0.0	403	5	2	1
0.05	754,491	23.55	0.0	172	4	1	0
0.13	229,817	21.63	0.0	231	7	1	1
0.18	116,136	21.22	0.0	114	8	1	0
0.33	330,795	28.16	0.0	705	15	4	5
0.54	90,362	31.54	0.0	875	21	7	14
1.44	346,882	29.69	0.0	1,835	31	25	45
1.33	217,693	31.29	0.0	1,616	31	22	40
2.12	129,189	20.02	0.0	219	26	4	5
5.27	211,820	33.47	0.0	1,894	44	76	116
3.40	97,204	32.67	0.0	778	41	21	27
6.70	114,616	34.09	0.0	1,117	46	56	89
23.63	73,607	31.26	0.0	665	64	79	97
15.58	27,591	31.30	0.0	278	56	25	34
23.33	34,797	26.04	0.0	117	61	12	9
35.06	11,219	34.02	0.0	270	76	42	53
100.00	60,059	63.86	0.0	579	38	941	923
6.89	**2,213,969**	**29.80**	**0.0**	**7,070**	**23**	**1,135**	**1,201**
0.13	41,073	22.47	0.0	69	6	0	0
0.00	0	0.00	0.0	0	0	0	0
0.13	41,073	22.47	0.0	69	6	0	0
0.18	12,572	17.86	0.0	53	6	0	0
0.33	47,936	32.09	0.0	367	15	3	3
0.53	57,635	32.88	0.0	749	21	6	13
1.46	77,601	31.93	0.0	1,386	31	21	40
1.38	68,621	32.93	0.0	1,294	32	19	38
2.22	8,980	21.43	0.0	92	24	2	2
5.37	67,417	34.81	0.0	1,606	44	68	108
3.36	25,770	34.47	0.0	611	41	17	23
6.74	41,647	35.04	0.0	995	46	51	85
24.69	27,919	32.25	0.0	542	63	69	90
15.69	11,758	32.19	0.0	228	55	21	32
25.05	5,011	25.10	0.0	44	51	5	5
35.06	11,150	34.03	0.0	270	76	42	53
100.00	30,821	62.96	0.0	490	39	760	740
9.59	**362,974**	**33.50**	**0.0**	**5,261**	**29**	**927**	**995**

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	5,519	1,561	70	6,613
	of which [0 to <0.10]	3,497	1,120	73	4,318
	of which [0.10 to <0.15]	2,022	442	62	2,294
	0.15 to <0.25	453	161	69	563
	0.25 to <0.50	1,883	551	67	2,252
	0.50 to <0.75	551	106	70	624
	0.75 to <2.50	1,099	915	51	1,563
	of which [0.75 to <1.75]	877	360	61	1,097
	of which [1.75 to <2.50]	222	555	44	467
	2.50 to <10.00	570	142	75	676
	of which [2.50 to <5.00]	342	84	74	404
	of which [5.00 to <10.00]	228	57	76	272
	10.00 to <100.00	176	19	82	191
	of which [10.00 to <20.00]	78	8	72	84
	of which [20.00 to <30.00]	97	11	91	107
	of which [30.00 to <100.00]	0	0	96	0
	100.00 (default)	274	6	68	277
	Subtotal	**10,525**	**3,461**	**65**	**12,760**
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		**188,811**	**23,967**	**34**	**191,445**

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
0.08	943,235	22.72	0.0	333	5	1	1
0.05	754,491	23.55	0.0	172	4	1	0
0.13	188,744	21.17	0.0	161	7	1	0
0.17	103,564	26.74	0.0	61	11	0	0
0.33	282,859	23.90	0.0	339	15	2	1
0.55	32,727	23.88	0.0	125	20	1	1
1.39	269,281	23.34	0.0	449	29	5	5
1.12	149,072	25.25	0.0	323	29	3	3
2.04	120,209	18.85	0.0	127	27	2	3
4.69	144,403	26.27	0.0	289	43	8	7
3.54	71,434	26.11	0.0	167	41	4	3
6.40	72,969	26.50	0.0	122	45	5	4
18.91	45,688	26.83	0.0	123	64	10	7
15.00	15,833	26.92	0.0	50	59	3	2
21.95	29,786	26.79	0.0	73	69	6	5
39.90	69	29.39	0.0	0	76	0	0
99.99	29,238	67.90	0.0	89	32	181	183
3.01	**1,850,995**	**24.47**	**0.0**	**1,809**	**14**	**208**	**206**
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**	**0.0**	**0**	**0**	**0**	**0**
-	**3,557,100**	**-**	**2.5**	**43,334**	**23**	**3,032**	**3,005**

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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**

5

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	16,545	4,249	46	17,799
	0.75 to <2.50	15,300	3,418	46	15,454
	of which [0.75 to <1.75]	10,064	2,150	44	9,944
	of which [1.75 to <2.50]	5,235	1,268	48	5,510
	2.50 to <10.00	10,768	2,363	46	11,052
	of which [2.50 to <5.00]	8,264	1,767	45	8,518
	of which [5.00 to <10.00]	2,503	596	50	2,533
	10.00 to <100.00	1,372	203	51	1,290
	of which [10.00 to <20.00]	945	162	54	924
	of which [20.00 to <30.00]	21	5	46	24
	of which [30.00 to <100.00]	405	36	43	342
	100.00 (default)	1,510	169	84	1,333
	Subtotal	**45,494**	**10,401**	**47**	**46,927**
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	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
0.64	10,235	21	2.5	6,182	35	24	25
1.51	9,506	21	2.5	7,125	46	50	50
1.21	5,864	21	2.5	4,153	42	25	28
2.05	3,642	22	2.5	2,972	54	25	23
4.47	5,641	22	2.5	7,674	69	111	114
3.50	4,218	22	2.5	5,503	65	68	57
7.72	1,423	22	2.5	2,171	86	43	57
19.52	1,004	21	2.5	1,236	96	53	69
14.99	589	21	2.5	830	90	29	42
24.08	18	24	2.4	34	145	1	1
31.43	397	21	2.5	372	109	23	26
100.00	1,390	61	2.5	788	59	775	787
5.17	**27,776**	**23**	**2.5**	**23,006**	**49**	**1,014**	**1,047**
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**

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	9,252	1,271	51	9,531
	0.75 to <2.50	9,190	1,506	50	9,074
	of which [0.75 to <1.75]	6,241	1,032	48	6,078
	of which [1.75 to <2.50]	2,949	474	55	2,996
	2.50 to <10.00	5,100	812	54	5,131
	of which [2.50 to <5.00]	4,170	652	53	4,220
	of which [5.00 to <10.00]	930	160	59	911
	10.00 to <100.00	860	103	50	803
	of which [10.00 to <20.00]	638	87	52	623
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	222	16	38	180
	100.00 (default)	770	71	90	710
	Subtotal	**25,172**	**3,763**	**52**	**25,249**
RETAIL CUSTOMERS					
	0 to <0.15	44,671	5,425	35	45,993
	of which [0 to <0.10]	43,646	4,155	34	44,530
	of which [0.10 to <0.15]	1,025	1,270	35	1,463
	0.15 to <0.25	16,635	1,527	39	16,971
	0.25 to <0.50	24,878	2,497	35	25,189
	0.50 to <0.75	13,599	2,055	33	13,118
	0.75 to <2.50	19,987	3,056	38	20,048
	of which [0.75 to <1.75]	12,278	1,711	38	12,361
	of which [1.75 to <2.50]	7,708	1,345	37	7,688
	2.50 to <10.00	12,174	1,451	38	11,866
	of which [2.50 to <5.00]	6,045	724	39	6,002
	of which [5.00 to <10.00]	6,129	727	37	5,864
	10.00 to <100.00	3,590	234	37	3,375
	of which [10.00 to <20.00]	1,574	139	38	1,507
	of which [20.00 to <30.00]	1,093	45	42	1,106
	of which [30.00 to <100.00]	923	51	32	763
	100.00 (default)	2,814	75	77	2,548
	Subtotal	**138,346**	**16,322**	**36**	**139,108**

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
0.64	6,321	19.98	3	2,633	28	12	13
1.47	6,683	20.33	3	3,388	37	27	29
1.21	4,574	20.47	3	2,154	35	15	16
2.00	2,109	20.05	3	1,234	41	12	13
4.08	3,482	20.37	3	2,606	51	43	50
3.35	2,780	20.30	3	2,031	48	29	32
7.45	702	20.69	3	574	63	14	19
18.57	704	21.02	3	664	83	32	47
14.98	447	20.76	3	492	79	19	33
0.00	0	0.00	0	0	0	0	0
31.00	257	21.93	3	172	96	12	14
100.00	954	59.82	3	461	65	395	348
5.00	**18,144**	**21.34**	**3**	**9,753**	**39**	**508**	**487**
0.07	1,222,417	14.52	0	1,180	3	5	4
0.07	809,135	14.28	0	1,122	3	4	4
0.11	413,282	21.98	0	57	4	0	0
0.20	343,252	14.61	0	1,004	6	5	6
0.35	403,860	16.93	0	2,431	10	15	16
0.62	333,059	19.76	0	1,960	15	16	21
1.47	609,824	18.06	0	4,607	23	54	79
1.05	374,734	17.84	0	2,402	19	24	27
2.14	235,090	18.40	0	2,204	29	30	52
5.27	301,154	18.86	0	4,900	41	120	232
3.51	156,361	18.52	0	2,197	37	39	74
7.08	144,793	19.21	0	2,703	46	81	158
20.77	142,986	18.66	0	2,382	71	131	248
14.39	57,999	19.49	0	967	64	42	81
21.29	65,925	16.77	0	879	79	40	77
32.63	19,062	19.75	0	536	70	49	91
100.00	75,496	54.17	0	932	37	1,310	1,241
3.17	**3,432,048**	**17.17**	**0**	**19,395**	**14**	**1,655**	**1,857**

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	39,806	1,408	39	40,360
	of which [0 to <0.10]	39,747	1,383	39	40,290
	of which [0.10 to <0.15]	59	26	41	70
	0.15 to <0.25	14,274	451	39	14,452
	0.25 to <0.50	18,931	531	40	19,142
	0.50 to <0.75	7,491	251	40	7,591
	0.75 to <2.50	12,223	477	40	12,413
	of which [0.75 to <1.75]	7,763	275	40	7,872
	of which [1.75 to <2.50]	4,460	203	40	4,541
	2.50 to <10.00	6,573	203	40	6,654
	of which [2.50 to <5.00]	3,540	114	40	3,585
	of which [5.00 to <10.00]	3,033	89	40	3,069
	10.00 to <100.00	2,055	41	41	2,071
	of which [10.00 to <20.00]	856	25	41	866
	of which [20.00 to <30.00]	823	9	40	826
	of which [30.00 to <100.00]	376	6	40	379
	100.00 (default)	1,065	10	40	1,069
	Subtotal	**102,418**	**3,371**	**40**	**103,752**
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	1,077	34	39	1,090
	0.25 to <0.50	5,148	132	41	5,202
	0.50 to <0.75	4,517	145	41	4,576
	0.75 to <2.50	3,419	152	41	3,481
	of which [0.75 to <1.75]	2,047	85	41	2,081
	of which [1.75 to <2.50]	1,373	67	41	1,400
	2.50 to <10.00	2,253	102	41	2,295
	of which [2.50 to <5.00]	1,226	58	41	1,250
	of which [5.00 to <10.00]	1,027	44	41	1,045
	10.00 to <100.00	768	21	41	776
	of which [10.00 to <20.00]	460	15	41	466
	of which [20.00 to <30.00]	93	1	40	94
	of which [30.00 to <100.00]	214	4	41	216
	100.00 (default)	327	3	40	329
	Subtotal	**17,509**	**588**	**41**	**17,749**

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	269,194	13.83	0	1,010	3	4	4
0.07	268,609	13.83	0	1,007	2	4	4
0.11	585	15.84	0	3	4	0	0
0.20	87,731	13.88	0	843	6	4	5
0.36	112,752	15.67	0	1,835	10	11	11
0.60	33,328	17.64	0	1,112	15	8	11
1.40	74,644	15.66	0	2,960	24	28	45
0.98	50,200	15.55	0	1,516	19	12	13
2.12	24,444	15.85	0	1,444	32	15	32
4.99	35,581	16.01	0	3,356	50	53	144
3.44	18,510	16.14	0	1,528	43	20	50
6.80	17,071	15.85	0	1,828	60	33	94
20.28	12,393	15.89	0	1,751	85	66	151
14.11	4,622	16.81	0	697	80	20	47
20.94	5,605	14.67	0	714	86	25	60
32.95	2,166	16.42	0	340	90	21	44
100.00	8,848	46.22	0	348	33	467	332
2.08	**634,471**	**15.19**	**0**	**13,214**	**13**	**640**	**712**
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
0.19	6,847	14.14	0	50	5	0	0
0.34	26,819	18.54	0	479	9	3	2
0.60	20,896	18.39	0	624	14	5	7
1.64	15,830	18.71	0	929	27	11	17
1.20	9,610	18.55	0	457	22	5	8
2.29	6,220	18.95	0	472	34	6	10
5.20	10,396	18.96	0	1,197	52	23	45
3.50	5,482	18.99	0	543	43	8	16
7.23	4,914	18.94	0	654	63	14	30
19.61	4,159	18.00	0	618	80	27	60
12.81	2,374	18.19	0	353	76	11	26
21.70	524	18.26	0	82	87	4	8
33.40	1,261	17.46	0	184	85	13	26
100.00	2,326	47.33	0	131	40	145	108
3.97	**87,273**	**18.83**	**0**	**4,029**	**23**	**215**	**240**

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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	39,806	1,408	39	40,360
	of which [0 to <0.10]	39,747	1,383	39	40,290
	of which [0.10 to <0.15]	59	26	41	70
	0.15 to <0.25	13,198	418	39	13,362
	0.25 to <0.50	13,783	398	39	13,940
	0.50 to <0.75	2,974	106	40	3,016
	0.75 to <2.50	8,803	326	39	8,932
	of which [0.75 to <1.75]	5,716	189	40	5,791
	of which [1.75 to <2.50]	3,087	136	39	3,141
	2.50 to <10.00	4,320	101	39	4,359
	of which [2.50 to <5.00]	2,313	56	39	2,335
	of which [5.00 to <10.00]	2,006	45	40	2,024
	10.00 to <100.00	1,287	20	40	1,295
	of which [10.00 to <20.00]	396	10	41	400
	of which [20.00 to <30.00]	730	8	40	733
	of which [30.00 to <100.00]	162	2	40	163
	100.00 (default)	737	7	40	740
	Subtotal	**84,908**	**2,783**	**39**	**86,004**
Of which: Revolving					
	0 to <0.15	958	2,756	20	1,512
	of which [0 to <0.10]	605	1,899	20	986
	of which [0.10 to <0.15]	353	858	20	526
	0.15 to <0.25	255	421	20	339
	0.25 to <0.50	438	627	20	564
	0.50 to <0.75	347	418	20	431
	0.75 to <2.50	646	533	20	753
	of which [0.75 to <1.75]	357	315	20	420
	of which [1.75 to <2.50]	289	218	20	333
	2.50 to <10.00	292	152	20	322
	of which [2.50 to <5.00]	178	101	20	198
	of which [5.00 to <10.00]	114	51	20	124
	10.00 to <100.00	144	37	20	152
	of which [10.00 to <20.00]	57	21	20	61
	of which [20.00 to <30.00]	85	16	20	88
	of which [30.00 to <100.00]	3	1	20	3
	100.00 (default)	69	1	20	69
	Subtotal	**3,148**	**4,945**	**20**	**4,142**

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	269,194	13.83	0	1,010	3	4	4
0.07	268,609	13.83	0	1,007	2	4	4
0.11	585	15.84	0	3	4	0	0
0.20	80,884	13.86	0	793	6	4	5
0.36	85,933	14.59	0	1,356	10	7	9
0.61	12,432	16.49	0	488	16	3	4
1.30	58,814	14.47	0	2,031	23	17	28
0.90	40,590	14.47	0	1,059	18	8	6
2.04	18,224	14.46	0	972	31	9	22
4.88	25,185	14.45	0	2,159	50	31	98
3.40	13,028	14.61	0	985	42	12	34
6.58	12,157	14.25	0	1,174	58	19	64
20.68	8,234	14.62	0	1,132	87	39	90
15.63	2,248	15.19	0	344	86	9	21
20.84	5,081	14.21	0	632	86	22	51
32.36	905	15.04	0	157	96	8	18
100.00	6,522	45.73	0	217	29	321	224
1.70	**547,198**	**14.44**	**0**	**9,185**	**11**	**426**	**472**
0.09	232,937	30.70	0	27	2	0	0
0.08	151,684	30.70	0	15	2	0	0
0.11	81,253	30.70	0	11	2	0	0
0.20	40,174	30.70	0	12	3	0	0
0.31	76,514	30.70	0	28	5	1	0
0.55	65,796	30.70	0	34	8	1	1
1.56	118,685	30.70	0	130	17	4	3
1.09	62,370	30.70	0	56	13	1	1
2.16	56,315	30.70	0	74	22	2	2
4.86	52,681	30.70	0	125	39	5	5
3.83	31,239	30.70	0	66	33	2	2
6.50	21,442	30.70	0	59	47	2	3
17.48	29,012	30.70	0	120	79	8	8
11.51	11,362	30.72	0	40	66	2	2
21.14	17,257	30.69	0	77	88	6	6
31.33	393	30.49	0	3	101	0	0
100.01	10,942	53.00	0	16	23	35	45
3.11	**626,741**	**31.07**	**0**	**491**	**12**	**54**	**63**

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	3,907	1,260	61	4,120
	of which [0 to <0.10]	3,294	874	58	3,253
	of which [0.10 to <0.15]	612	386	66	867
	0.15 to <0.25	2,106	655	51	2,180
	0.25 to <0.50	5,509	1,340	40	5,483
	0.50 to <0.75	5,761	1,386	36	5,096
	0.75 to <2.50	7,118	2,046	42	6,882
	of which [0.75 to <1.75]	4,158	1,121	43	4,068
	of which [1.75 to <2.50]	2,959	924	40	2,814
	2.50 to <10.00	5,309	1,096	40	4,889
	of which [2.50 to <5.00]	2,327	510	42	2,218
	of which [5.00 to <10.00]	2,981	587	38	2,671
	10.00 to <100.00	1,390	156	41	1,152
	of which [10.00 to <20.00]	661	93	41	580
	of which [20.00 to <30.00]	186	20	61	192
	of which [30.00 to <100.00]	544	43	31	381
	100.00 (default)	1,681	65	83	1,411
	Subtotal	**32,780**	**8,005**	**44**	**31,213**
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	494	172	30	495
	0.25 to <0.50	3,159	829	30	3,006
	0.50 to <0.75	4,839	1,083	29	4,000
	0.75 to <2.50	5,520	1,051	31	4,842
	of which [0.75 to <1.75]	3,036	617	31	2,716
	of which [1.75 to <2.50]	2,485	434	31	2,125
	2.50 to <10.00	4,445	795	35	3,893
	of which [2.50 to <5.00]	1,764	347	35	1,579
	of which [5.00 to <10.00]	2,681	448	35	2,314
	10.00 to <100.00	1,082	110	31	820
	of which [10.00 to <20.00]	511	64	32	412
	of which [20.00 to <30.00]	42	3	29	41
	of which [30.00 to <100.00]	529	42	30	366
	100.00 (default)	1,400	59	85	1,131
	Subtotal	**20,940**	**4,097**	**32**	**18,184**

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
0.08	720,286	15.39	0	143	3	1	0
0.07	388,842	14.92	0	100	3	0	0
0.11	331,444	17.18	0	43	5	0	0
0.20	215,347	16.96	0	149	7	1	1
0.33	214,594	19.92	0	568	10	4	4
0.64	233,935	22.00	0	814	16	7	9
1.59	416,495	21.00	0	1,517	22	23	31
1.19	262,164	20.96	0	831	20	10	13
2.17	154,331	21.06	0	686	24	13	18
5.69	212,892	21.96	0	1,419	29	62	84
3.60	106,612	21.27	0	603	27	17	22
7.43	106,280	22.54	0	816	31	45	61
22.09	101,581	22.06	0	511	44	57	90
15.10	42,015	22.32	0	230	40	20	32
22.91	43,063	19.42	0	88	46	9	12
32.32	16,503	22.98	0	193	51	28	46
100.00	55,706	60.26	0	568	40	808	864
6.76	**2,170,836**	**21.92**	**0**	**5,689**	**18**	**961**	**1,082**
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
0.19	30,743	23.11	0	38	8	0	0
0.32	42,122	22.62	0	316	11	2	3
0.66	79,170	23.12	0	651	16	6	8
1.64	79,060	23.21	0	1,126	23	18	24
1.23	44,801	23.26	0	582	21	8	10
2.18	34,259	23.14	0	544	26	11	14
5.94	73,168	23.19	0	1,149	30	54	71
3.54	26,191	23.10	0	438	28	13	16
7.58	46,977	23.26	0	711	31	41	55
24.09	27,701	22.98	0	367	45	46	74
16.40	11,864	22.87	0	163	39	16	26
27.91	804	22.43	0	19	47	3	3
32.32	15,033	23.16	0	185	51	27	44
100.01	27,139	59.44	0	506	45	635	679
9.22	**359,103**	**25.33**	**0**	**4,151**	**23**	**761**	**858**

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	3,907	1,260	61	4,120
	of which [0 to <0.10]	3,294	874	58	3,253
	of which [0.10 to <0.15]	612	386	66	867
	0.15 to <0.25	1,612	484	59	1,685
	0.25 to <0.50	2,350	511	56	2,477
	0.50 to <0.75	922	303	60	1,096
	0.75 to <2.50	1,597	995	53	2,040
	of which [0.75 to <1.75]	1,123	505	57	1,352
	of which [1.75 to <2.50]	475	490	48	688
	2.50 to <10.00	863	302	54	997
	of which [2.50 to <5.00]	563	163	57	639
	of which [5.00 to <10.00]	300	139	49	358
	10.00 to <100.00	308	47	63	333
	of which [10.00 to <20.00]	151	29	61	167
	of which [20.00 to <30.00]	143	17	67	150
	of which [30.00 to <100.00]	14	1	49	15
	100.00 (default)	280	6	65	280
	Subtotal	**11,840**	**3,908**	**57**	**13,029**
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		**183,840**	**26,723**	**40**	**186,035**

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
0.08	720,286	15.39	0	143	3	1	0
0.07	388,842	14.92	0	100	3	0	0
0.11	331,444	17.18	0	43	5	0	0
0.20	184,604	15.16	0	112	7	1	1
0.34	172,472	16.65	0	252	10	1	1
0.57	154,765	17.91	0	163	15	1	1
1.46	337,435	15.77	0	391	19	5	7
1.12	217,363	16.34	0	249	18	2	3
2.14	120,072	14.63	0	142	21	2	4
4.70	139,724	17.17	0	270	27	8	13
3.74	80,421	16.77	0	165	26	4	6
6.40	59,303	17.90	0	105	29	4	7
17.18	73,880	19.78	0	144	43	11	16
11.91	30,151	20.96	0	67	40	4	6
21.54	42,259	18.59	0	69	46	6	8
32.53	1,470	18.56	0	8	53	1	2
99.99	28,567	63.58	0	63	22	173	185
3.34	**1,811,733**	**17.16**	**0**	**1,538**	**12**	**200**	**225**
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**
-	**3,459,824**	**-**	**2.5**	**42,401**	**23**	**2,669**	**2,904**

TABLE 33 BIS: IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6) – IRBF METHOD

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	30,832	2,033	21	33,911
	of which [0 to <0.10]	24,318	1,930	21	27,400
	of which [0.10 to <0.15]	6,514	103	29	6,511
	0.15 to <0.25	451	146	50	525
	0.25 to <0.50	195	222	65	282
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	382	23	45	392
	of which [0.75 to <1.75]	382	23	45	392
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	5	25	50	18
	of which [2.50 to <5.00]	5	25	50	18
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	92	154	27	134
	of which [10.00 to <20.00]	16	0	0	16
	of which [20.00 to <30.00]	76	154	27	117
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	2	0	0	1
	Subtotal	**31,959**	**2,602**	**27**	**35,262**
CORPORATES					
	0 to <0.15	3,622	9,651	58	8,455
	of which [0 to <0.10]	1,460	4,029	59	3,378
	of which [0.10 to <0.15]	2,162	5,622	57	5,077
	0.15 to <0.25	4,363	9,591	20	9,371
	0.25 to <0.50	6,452	10,565	59	11,881
	0.50 to <0.75	5,794	6,117	0	8,324
	0.75 to <2.50	2,520	1,278	57	3,140
	of which [0.75 to <1.75]	2,520	1,278	57	3,140
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	2,985	1,220	55	3,518
	of which [2.50 to <5.00]	2,985	1,220	55	3,518
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	824	616	67	1,147
	of which [10.00 to <20.00]	824	616	67	1,147
	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)	889	82	94	848
	Subtotal	**27,450**	**39,120**	**58**	**46,683**

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
0.02	197	44.25	2.5	3,754	11	4	3
0.01	144	44.04	2.5	861	3	1	2
0.10	53	45.17	2.5	2,892	44	3	0
0.22	46	46.82	2.5	372	71	1	0
0.42	28	45.29	2.4	264	94	1	0
0.00	0	0.00	0.0	0	0	0	0
0.98	41	45.00	2.5	508	129	2	0
0.98	41	45.00	2.5	508	129	2	0
0.00	0	0.00	0.0	0	0	0	0
2.67	17	44.95	2.5	30	169	0	0
2.67	17	44.95	2.5	30	169	0	0
0.00	0	0.00	0.0	0	0	0	0
19.39	41	45.01	2.5	393	294	12	2
10.14	1	45.03	0.0	41	250	1	0
20.67	40	45.01	2.5	352	300	11	2
0.00	0	0.00	0.0	0	0	0	0
97.71	3	43.97	2.3	0	0	1	1
0.12	**373**	**44.31**	**2.5**	**5,321**	**15**	**20**	**6**
0.09	197	44.67	2.5	2,506	30	3	2
0.05	85	45.00	2.5	764	23	1	0
0.11	112	44.45	2.5	1,742	34	2	2
0.20	170	43.05	2.5	4,367	47	8	3
0.33	327	44.78	2.5	7,455	63	18	107
0.73	231	44.91	2.5	7,452	90	27	10
1.40	198	43.56	2.5	3,459	110	19	6
1.40	198	43.56	2.5	3,459	110	19	6
0.00	0	0.00	0.0	0	0	0	0
3.91	205	45.00	2.5	5,340	152	62	25
3.91	205	45.00	2.5	5,340	152	62	25
0.00	0	0.00	0.0	0	0	0	0
10.13	65	44.88	2.5	2,452	214	64	87
10.13	65	44.88	2.5	2,452	214	52	87
0.00	0	0.00	0.0	0	0	0	0
0.00	0	0.00	2.0	0	0	12	0
100.00	43	45.00	2.5	0	0	485	448
2.72	**1,436**	**44.38**	**2.5**	**33,032**	**71**	**686**	**689**

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		**59,409**	**41,722**	**56**	**81,945**

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**
-	**1,809**	**-**	**2.5**	**38,352**	**59**	**706**	**726**

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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
INSTITUTIONS (BANKS)					
	0 to <0.15	26,269	1,959	20	30,370
	of which [0 to <0.10]	21,489	1,802	20	25,581
	of which [0.10 to <0.15]	4,780	158	19	4,789
	0.15 to <0.25	303	266	34	393
	0.25 to <0.50	42	177	23	61
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	236	203	70	378
	of which [0.75 to <1.75]	236	203	70	378
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	112	36	31	123
	of which [2.50 to <5.00]	112	36	31	123
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	18	63	34	39
	of which [10.00 to <20.00]	18	0	0	18
	of which [20.00 to <30.00]	0	63	34	21
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	6	6	50	9
	Subtotal	**26,986**	**2,711**	**26**	**31,373**
CORPORATES					
	0 to <0.15	7,507	17,053	59	16,376
	of which [0 to <0.10]	3,285	9,496	62	8,649
	of which [0.10 to <0.15]	4,222	7,557	56	7,727
	0.15 to <0.25	85	1	21	86
	0.25 to <0.50	6,176	11,790	56	11,625
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	7,410	6,426	64	10,667
	of which [0.75 to <1.75]	7,410	6,426	64	10,667
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	2,856	1,071	57	3,201
	of which [2.50 to <5.00]	2,856	1,071	57	3,201
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	1,182	544	55	1,170
	of which [10.00 to <20.00]	1,182	544	55	1,170
	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)	713	177	82	733
	Subtotal	**25,929**	**37,062**	**59**	**43,856**

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
0.02	3,743	45	3	2,886	10	3	4
-	3,687	45	3	766	3	1	4
0.10	56	45	3	2,120	44	2	0
0.22	42	49	3	290	74	0	0
0.38	27	46	3	55	91	0	0
-	0	0	0	0	0	0	0
0.98	32	45	3	494	130	2	0
0.98	32	45	3	494	130	2	0
-	0	0	0	0	0	0	0
2.67	19	45	3	208	169	1	1
2.67	19	45	3	208	169	1	1
-	0	0	0	0	0	0	0
18.48	35	45	3	114	293	3	2
15.85	1	45	0	50	285	1	0
20.67	34	45	3	64	300	2	2
-	0	0	0	0	0	0	0
100.09	7	45	3	0	0	4	0
0.10	**3,905**	**45**	**3**	**4,046**	**13**	**14**	**9**
0.09	338	44	3	4,950	30	7	5
0.07	171	43	3	2,127	25	3	2
0.12	167	45	3	2,823	37	4	3
0.22	12	45	2	44	51	0	0
0.33	305	45	3	7,273	63	17	110
-	0	0	0	0	0	0	0
1.10	396	44	3	10,879	102	52	19
1.10	396	44	3	10,879	102	52	19
-	0	0	0	0	0	0	0
3.32	200	45	3	4,630	145	48	35
3.32	200	45	3	4,630	145	48	35
-	0	0	0	0	0	0	0
15.86	64	45	3	2,907	249	83	113
15.86	64	45	3	2,907	249	83	113
-	0	0	0	0	0	0	0
-	0	0	2	0	0	0	0
100.00	53	45	2	0	0	291	256
2.73	**1,368**	**44**	**3**	**30,684**	**70**	**499**	**538**

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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		**52,916**	**39,773**	**56**	**75,229**

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	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
-	**5,273**	**-**	**3**	**34,730**	**57**	**513**	**578**

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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 quarterly 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, permanent control 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 34: 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	73,557	100	0	0
of which Regional or local authorities	*0*	*280*	*100*	*0*	*0*
of which Public sector entities	*0*	*14,500*	*100*	*0*	*0*
Institutions (banks)	32,673	38,506	15	85	1
Corporates	110,165	123,059	5	90	6
of which Corporates – Specialized financing excluding slotting criteria	*0*	*0*	*0*	*0*	*0*
of which Corporates – Specialized financing using slotting criteria	*10,110*	*10,110*	*0*	*100*	*0*
Retail customers	147,047	159,390	7	92	1
of which Retail customers – Real estate – SMEs	*19,214*	*22,534*	*15*	*85*	*0*
of which Retail customers – Real estate – non-SMEs	*90,031*	*96,135*	*6*	*94*	*0*
Of which Retail customers – Revolving	3,591	3,591	0	100	0
Of which Retail customers – SMEs	21,448	23,179	1	93	7
Of which Retail customers – Other non-SMEs	12,763	13,951	8	91	0
Equities	5,090	6,812	25	75	0
Other assets	4,360	5,355	12	81	7
TOTAL	**299,334**	**406,679**	**24**	**74**	**2**

12/31/2022 *(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	89,986	100	0	0
of which Regional or local authorities	*0*	*344*	*100*	*0*	*0*
of which Public sector entities	*0*	*12,280*	*100*	*0*	*0*
Institutions (banks)	27,691	33,018	15	84	1
Corporates	106,944	120,038	5	89	6
of which Corporates – Specialized financing excluding slotting criteria	*0*	*0*	*0*	*0*	*0*
of which Corporates – Specialized financing using slotting criteria	*8,914*	*8,914*	*0*	*100*	*0*
Retail customers	144,218	156,381	7	92	1
of which Retail customers – Real estate – SMEs	*17,749*	*19,897*	*11*	*89*	*0*
of which Retail customers – Real estate – non-SMEs	*86,004*	*93,008*	*8*	*92*	*0*
Of which Retail customers – Revolving	4,142	4,142	0	100	0
Of which Retail customers – SMEs	22,241	23,929	0	93	7
Of which Retail customers – Other non-SMEs	14,082	15,405	8	91	0
Equities	3,774	5,244	28	72	0
Other assets	3,965	5,011	14	79	7
TOTAL	**286,592**	**409,677**	**28**	**70**	**2**

TABLE 35: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (EU CR8)

(in € millions)	RWA	EFP
1 – RWAS DECEMBER 2022	**84,320**	**6,746**
2 – Asset amount	4,321	346
3 – Asset quality	401	32
4 – Model upgrades	695	56
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	**89,736**	**7,179**

TABLE 36: 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 37: IRB APPROACH – PD BACKTESTING BY EXPOSURE CLASS – (ONLY FOR PD ESTIMATION) (EU CR9.1)

			Number of debtors at the end of the previous year				
12/31/2023 *(in € millions)* **Category of exposure**	**PD range**	**Equivalent external rating**		**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

			Number of debtors at the end of the previous year				
12/31/2022 *(in € millions)* **Category of exposure**	**PD range**	**Equivalent external rating**		**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 38: IRB – SPECIALIZED FINANCING – PROJECTS (EU CR10.1)

12/31/2023 *(in € millions)* Regulatory categories	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	613	70%	2,898	2,117	12
Category 2	Less than 2.5 years	114	70	70%	153	111	1
	2.5 years or more	1,090	490	90%	1,441	1,352	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
	LESS THAN 2.5 YEARS	**397**	**134**	**-**	**467**	**362**	**6**
TOTAL	**2.5 YEARS OR MORE**	**4,157**	**1,256**	**-**	**5,058**	**4,351**	**46**

12/31/2022 *(in € millions)* Regulatory categories	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	
	2.5 years or more	2,211	434	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	419	129	115%	514	615	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%	4		2
	2.5 years or more	-	-	0%	-	-	-
TOTAL	**LESS THAN 2.5 YEARS**	**339**	**147**	**-**	**430**	**309**	**5**
	2.5 YEARS OR MORE	**3,678**	**965**	**-**	**4,363**	**3,857**	**42**

TABLE 39: IRB – SPECIALIZED FINANCING – REAL ESTATE PROPERTY (EU CR10.2)

12/31/2023 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	b	c	d	e	f
Category 1	Less than 2.5 years	153	34	50%	179	93	0
	2.5 years or more	74	15	70%	85	62	0
Category 2	Less than 2.5 years	25	0	70%	25	18	0
	2.5 years or more	77	0	90%	77	72	1
Category 3	Less than 2.5 years	0	0	0%	0	0	0
	2.5 years or more	0	0	0%	0	0	0
Category 4	Less than 2.5 years	0	0	0%	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**	**178**	**34**	**-**	**204**	**112**	**0**
	2.5 YEARS OR MORE	**155**	**15**	**-**	**167**	**146**	**1**

12/31/2022 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	b	c	d	e	f
Category 1	Less than 2.5 years	83	0	50%	83	43	0
	2.5 years or more	94	92	70%	163	119	1
Category 2	Less than 2.5 years	38	0	70%	38	28	0
	2.5 years or more	68	0	90%	68	64	1
Category 3	Less than 2.5 years	0	0	0%	0	0	0
	2.5 years or more	4	0	115%	4	5	0
Category 4	Less than 2.5 years	0	0	0%	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
	LESS THAN 2.5 YEARS	**121**	**0**	**-**	**121**	**71**	**0**
TOTAL	**2.5 YEARS OR MORE**	**172**	**92**	**-**	**241**	**202**	**2**

TABLE 40: IRB – SPECIALIZED FINANCING – ASSETS (EU CR10.3)

12/31/2023 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	b	c	d	e	f
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	0%	0	0	0
	2.5 years or more	0	0	0%	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**

12/31/2022 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	b	c	d	e	f
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	0%	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	0	56
	LESS THAN 2.5 YEARS	**354**	**17**	**-**	**363**	**218**	**3**
TOTAL	**2.5 YEARS OR MORE**	**3,267**	**281**	**-**	**3,397**	**2,531**	**75**

TABLE 41: IRB – SPECIALIZED FINANCING: COMMODITIES (EUR CR10.4)

CIC has no specialized financing exposure to commodities.

TABLE 42: SPECIALIZED FINANCING: EQUITIES (EUR CR10.5)

12/31/2023 *(in € millions)* Categories	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Amount of expected losses
Private equity exposures	2,930	0	190%	2,930	5,566	23
Exposures to equities traded on regulated exchanges	254	0	290%	254	737	2
Other equity exposure	1,874	0	370%	1,874	6,935	45
TOTAL	**5,058**	**0**	**-**	**5,058**	**13,239**	**70**

12/31/2022 *(in € millions)* Categories	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Amount of expected losses
Private equity exposures	1,921	0	190%	1,921	3,649	15
Exposures to equities traded on regulated exchanges	236	0	290%	236	684	2
Other equity exposure	1,568	0	370%	1,568	5,800	38
TOTAL	**3,724**	**0**	**-**	**3,724**	**10,134**	**55**

5.9 COUNTERPARTY RISK (EU CCRA)

Qualitative information disclosure requirements on CCR (EU CCRA)

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 credit risk and Capital Market 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 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 43: CCR EXPOSURE ANALYSIS 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)	1,746	1,755	-	1.4	5,055	4,901	1.4	1,940
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**	**2,066**

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)	2,537	1,470	-	1.4	5,771	5,625	1.4	1,820
IMM (for derivatives and SFTs)	-	-	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		355
VaR for SFTs	-	-	-	-	0	0	0	0
TOTAL	**-**	**-**	**-**	**-**	**0**	**0**	**0**	**2,221**

TABLE 44: CVA CAPITAL REQUIREMENT (EU CCR2)

	12/31/2023		12/31/2022	
(in € millions)	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	**1,030**	**286**	**861**	**282**
Total of method based on original exposure	**0**	**0**	**0**	**0**
TOTAL SUBJECT TO CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL REQUIREMENTS	**1,030**	**286**	**861**	**282**

TABLE 45: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTING (EU CCR3)

12/31/2023 *(in € millions)*	Weighting											
Category of exposure	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	Total
Central governments or 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	470	0	0	155	11	0	0	0	0	0	636
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	0	0	0	0
TOTAL	**15**	**470**	**0**	**0**	**155**	**11**	**0**	**15**	**137**	**0**	**0**	**803**

12/31/2022 *(in € millions)* **Category of exposure**	**Weighting**											
	0%	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Other**	**Total**
Central governments or 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	200	0	0	198	14	0	0	3	0	0	416
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	0	0	0	0
11 – TOTAL	**43**	**200**	**0**	**0**	**198**	**15**	**0**	**2**	**444**	**0**	**0**	**903**

TABLE 46: 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
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
CORPORATES								
	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	66	0.2	373	43	2.5	33	50
	0.25 to <0.50	60	0.4	485	45	2.5	43	72
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	140	1.4	611	35	2.5	119	85
	of which [0.75 to <1.75]	91	1.2	404	39	2.5	80	88
	of which [1.75 to <2.50]	49	1.9	207	29	2.5	39	80
	2.50 to <10.00	91	4.2	453	44	2.5	134	147
	of which [2.50 to <5.00]	74	3.6	347	44	2.5	102	139
	of which [5.00 to <10.00]	17	6.7	106	45	2.5	31	181
	10.00 to <100.00	15	17.8	72	45	2.5	36	235
	of which [10.00 to <20.00]	8	12.0	45	45	2.5	18	225
	of which [20.00 to <30.00]	7	26.6	26	45	2.5	18	270
	of which [30.00 to <100.00]	1	0.0	1	45	2.5	0	0
	100.00 (default)	8	100.0	49	45	2.5	0	0
	Subtotal	**380**	**4.4**	**2,043**	**41**	**2.5**	**364**	**96**
Of which: Specialized financing								
	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
RETAIL CUSTOMERS								
	0 to <0.15	2	0.1	65	45	0.0	0	4
	of which [0 to <0.10]	2	0.1	65	45	0.0	0	4
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	2	0.2	16	45	0.0	0	10
	0.25 to <0.50	0	0.4	14	45	0.0	0	17
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	1.3	10	45	0.0	0	30
	of which [0.75 to <1.75]	0	1.0	6	45	0.0	0	27
	of which [1.75 to <2.50]	0	1.9	4	45	0.0	0	34
	2.50 to <10.00	0	6.6	4	45	0.0	0	41
	of which [2.50 to <5.00]	0	3.6	1	45	0.0	0	38
	of which [5.00 to <10.00]	0	7.0	3	45	0.0	0	41
	10.00 to <100.00	0	16.2	2	45	0.0	0	54
	of which [10.00 to <20.00]	0	16.2	2	45	0.0	0	54
	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**	**0.6**	**111**	**45**	**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
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**
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**

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
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
of which: Other retail customers								
	0 to <0.15	2	0.1	65	45	0.0	0	4
	of which [0 to <0.10]	2	0.1	65	45	0.0	0	4
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	2	0.2	16	45	0.0	0	10
	0.25 to <0.50	0	0.4	14	45	0.0	0	17
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	1.3	10	45	0.0	0	30
	of which [0.75 to <1.75]	0	1.0	6	45	0.0	0	27
	of which [1.75 to <2.50]	0	1.9	4	45	0.0	0	34
	2.50 to <10.00	0	6.6	4	45	0.0	0	41
	of which [2.50 to <5.00]	0	3.6	1	45	0.0	0	38
	of which [5.00 to <10.00]	0	7.0	3	45	0.0	0	41
	10.00 to <100.00	0	16.2	2	45	0.0	0	54
	of which [10.00 to <20.00]	0	16.2	2	45	0.0	0	54
	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**	**0.6**	**111**	**45**	**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**
of which: Non-SMEs								
	0 to <0.15	2	0.1	65	45	0.0	0	4
	of which [0 to <0.10]	2	0.1	65	45	0.0	0	4
	of which [0.10 to <0.15]	0	0.0	0	0	0.0	0	0
	0.15 to <0.25	2	0.2	16	45	0.0	0	10
	0.25 to <0.50	0	0.4	14	45	0.0	0	17
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	0	1.3	10	45	0.0	0	30
	of which [0.75 to <1.75]	0	1.0	6	45	0.0	0	27
	of which [1.75 to <2.50]	0	1.9	4	45	0.0	0	34
	2.50 to <10.00	0	6.6	4	45	0.0	0	41
	of which [2.50 to <5.00]	0	3.6	1	45	0.0	0	38
	of which [5.00 to <10.00]	0	7.0	3	45	0.0	0	41
	10.00 to <100.00	0	16.2	2	45	0.0	0	54
	of which [10.00 to <20.00]	0	16.2	2	45	0.0	0	54
	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**	**0.6**	**111**	**45**	**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
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	**SUBTOTAL**	**385**	**4.4**	**2,154**	**41**	**2.5**	**365**	**95**

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
CENTRAL GOVERNMENTS AND CENTRAL BANKS								
	0 to <0.15	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [0 to <0.10]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [0.10 to <0.15]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	0.15 to <0.25	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	0.25 to <0.50	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	0.50 to <0.75	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	0.75 to <2.50	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [0.75 to <1.75]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [1.75 to <2.50]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	2.50 to <10.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [2.50 to <5.00]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [5.00 to <10.00]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	10.00 to <100.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [10.00 to <20.00]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [20.00 to <30.00]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	of which [30.00 to <100.00]	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	100.00 (default)	0.00	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	**0.00**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
INSTITUTIONS (BANKS)								
	0 to <0.15	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [0 to <0.10]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [0.10 to <0.15]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	0.15 to <0.25	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	0.25 to <0.50	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	0.50 to <0.75	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	0.75 to <2.50	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [0.75 to <1.75]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [1.75 to <2.50]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	2.50 to <10.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [2.50 to <5.00]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [5.00 to <10.00]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	10.00 to <100.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [10.00 to <20.00]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [20.00 to <30.00]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	of which [30.00 to <100.00]	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	100.00 (default)	0.00	0.00	0.00	0.00	0.0	0.00	0.00
	Subtotal	**0.00**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

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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
CORPORATES								
	0 to <0.15	0	0.0	0	0.00	0.0	0	0
	of which [0 to <0.10]	0	0.0	0	0.00	0.0	0	0
	of which [0.10 to <0.15]	0	0.0	0	0.00	0.0	0	0
	0.15 to <0.25	0	0.0	0	0.00	0.0	0	0
	0.25 to <0.50	0	0.0	0	0.00	0.0	0	0
	0.50 to <0.75	85	0.7	855	34.26	2.5	55	65
	0.75 to <2.50	82	1.4	665	45.00	2.5	92	112
	of which [0.75 to <1.75]	61	1.2	457	45.00	2.5	65	108
	of which [1.75 to <2.50]	21	2.0	208	45.00	2.5	27	125
	2.50 to <10.00	61	4.7	474	45.00	2.5	97	159
	of which [2.50 to <5.00]	47	3.7	360	45.00	2.5	69	148
	of which [5.00 to <10.00]	14	7.9	114	45.00	2.5	28	193
	10.00 to <100.00	7	19.4	52	45.00	2.5	18	252
	of which [10.00 to <20.00]	5	15.9	32	45.00	2.5	13	246
	of which [20.00 to <30.00]	0	0.0	0	0.00	0.0	0	0
	of which [30.00 to <100.00]	2	30.8	20	45.00	2.5	5	271
	100.00 (default)	5	100.0	31	45.00	2.5		
	Subtotal	**241**	**4.7**	**2,077**	**41.20**	**2.5**	**262**	**109**
Of which: Specialized financing								
	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
RETAIL CUSTOMERS								
	0 to <0.15	3	0.09	79	45.00	0.0	0	3
	of which [0 to <0.10]	1	0.06	39	45.00	0.0	0	2
	of which [0.10 to <0.15]	2	0.11	40	45.00	0.0	0	3
	0.15 to <0.25	0	0.00	0	0.00	0.0	0	0
	0.25 to <0.50	1	0.25	22	45.00	0.0	0	5
	0.50 to <0.75	0	0.54	13	45.00	0.0	0	8
	0.75 to <2.50	0	1.61	18	45.00	0.0	0	13
	of which [0.75 to <1.75]	0	1.22	14	45.00	0.0	0	12
	of which [1.75 to <2.50]	0	2.24	4	45.00	0.0	0	15
	2.50 to <10.00	0	4.28	3	45.00	0.0	0	16
	of which [2.50 to <5.00]	0	4.28	3	45.00	0.0	0	16
	of which [5.00 to <10.00]	0	0.00	0	0.00	0.0	0	0
	10.00 to <100.00	0	10.49	6	45.00	0.0	0	19
	of which [10.00 to <20.00]	0	10.49	6	45.00	0.0	0	19
	of which [20.00 to <30.00]	0	0.00	0	0.00	0.0	0	0
	of which [30.00 to <100.00]	0	0.00	0	0.00	0.0	0	0
	100.00 (default)	0	0.00	0	0.00	0.0	0	0
	Subtotal	**5**	**0.81**	**141**	**45.00**	**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**
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**
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**

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
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
of which: Other retail customers								
	0 to <0.15	3	0.09	79	45.00	0.0	0	3
	of which [0 to <0.10]	1	0.06	39	45.00	0.0	0	2
	of which [0.10 to <0.15]	2	0.11	40	45.00	0.0	0	3
	0.15 to <0.25	0	0.00	0	0.00	0.0	0	0
	0.25 to <0.50	1	0.25	22	45.00	0.0	0	5
	0.50 to <0.75	0	0.54	13	45.00	0.0	0	8
	0.75 to <2.50	0	1.61	18	45.00	0.0	0	13
	of which [0.75 to <1.75]	0	1.22	14	45.00	0.0	0	12
	of which [1.75 to <2.50]	0	2.24	4	45.00	0.0	0	15
	2.50 to <10.00	0	4.28	3	45.00	0.0	0	16
	of which [2.50 to <5.00]	0	4.28	3	45.00	0.0	0	16
	of which [5.00 to <10.00]	0	0.00	0	0.00	0.0	0	0
	10.00 to <100.00	0	10.49	6	45.00	0.0	0	19
	of which [10.00 to <20.00]	0	10.49	6	45.00	0.0	0	19
	of which [20.00 to <30.00]	0	0.00	0	0.00	0.0	0	0
	of which [30.00 to <100.00]	0	0.00	0	0.00	0.0	0	0
	100.00 (default)	0	0.00	0	0.00	0.0	0	0
	Subtotal	**5**	**0.81**	**141**	**45.00**	**0.0**	**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**
of which: Non-SMEs								
	0 to <0.15	3	0.09	79	45.00	0.0	0	3
	of which [0 to <0.10]	1	0.06	39	45.00	0.0	0	2
	of which [0.10 to <0.15]	2	0.11	40	45.00	0.0	0	3
	0.15 to <0.25	0	0.00	0	0.00	0.0	0	0
	0.25 to <0.50	1	0.25	22	45.00	0.0	0	5
	0.50 to <0.75	0	0.54	13	45.00	0.0	0	8
	0.75 to <2.50	0	1.61	18	45.00	0.0	0	13
	of which [0.75 to <1.75]	0	1.22	14	45.00	0.0	0	12
	of which [1.75 to <2.50]	0	2.24	4	45.00	0.0	0	15
	2.50 to <10.00	0	4.28	3	45.00	0.0	0	16
	of which [2.50 to <5.00]	0	4.28	3	45.00	0.0	0	16
	of which [5.00 to <10.00]	0	0.00	0	0.00	0.0	0	0
	10.00 to <100.00	0	10.49	6	45.00	0.0	0	19
	of which [10.00 to <20.00]	0	10.49	6	45.00	0.0	0	19
	of which [20.00 to <30.00]	0	0.00	0	0.00	0.0	0	0
	of which [30.00 to <100.00]	0	0.00	0	0.00	0.0	0	0
	100.00 (default)	0	0.00	0	0.00	0.0	0	0
	Subtotal	**5**	**0.81**	**141**	**45.00**	**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
Equities								
	0 to <0.15	0	0.00	0	0.00	0.0	0	0
	of which [0 to <0.10]	0	0.00	0	0.00	0.0	0	0
	of which [0.10 to <0.15]	0	0.00	0	0.00	0.0	0	0
	0.15 to <0.25	0	0.00	0	0.00	0.0	0	0
	0.25 to <0.50	0	0.00	0	0.00	0.0	0	0
	0.50 to <0.75	0	0.00	0	0.00	0.0	0	0
	0.75 to <2.50	0	0.00	0	0.00	0.0	0	0
	of which [0.75 to <1.75]	0	0.00	0	0.00	0.0	0	0
	of which [1.75 to <2.50]	0	0.00	0	0.00	0.0	0	0
	2.50 to <10.00	0	0.00	0	0.00	0.0	0	0
	of which [2.50 to <5.00]	0	0.00	0	0.00	0.0	0	0
	of which [5.00 to <10.00]	0	0.00	0	0.00	0.0	0	0
	10.00 to <100.00	0	0.00	0	0.00	0.0	0	0
	of which [10.00 to <20.00]	0	0.00	0	0.00	0.0	0	0
	of which [20.00 to <30.00]	0	0.00	0	0.00	0.0	0	0
	of which [30.00 to <100.00]	0	0.00	0	0.00	0.0	0	0
	100.00 (default)	0	0.00	0	0.00	0.0	0	0
	Subtotal	**0**	**0.00**	**0**	**0.00**	**0.0**	**0**	**0**
TOTAL		**246**	**4.65**	**2,218**	**41.28**	**2.5**	**263**	**107**

TABLE 46 BIS: IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE (EU CCR4) - IRBF METHOD

12/31/2023 *(in € millions)*	PD range	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity *(in years)*	RWAs	RWA density
Institutions (banks)								
	0 to <0.15	8,407	0.05	119	18.65	2.0	184	0
	of which [0 to <0.10]	7,165	0.04	97	18.96	2.1	129	0
	of which [0.10 to <0.15]	1,243	0.10	22	16.84	1.5	55	0
	0.15 to <0.25	880	0.22	17	9.38	1.9	93	0
	0.25 to <0.50	575	0.42	10	5.29	1.4	26	0
	0.50 to <0.75	0	0	0	0	0	0	0
	0.75 to <2.50	381	0.98	2	1.14	0.5	0	0
	of which [0.75 to <1.75]	381	0.98	2	1.14	0.5	0	0
	of which [1.75 to <2.50]	0	0	0	0	0	0	0
	2.50 to <10.00	0	0	0	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0	0	0	0
	10.00 to <100.00	0	0	0	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	-0	0	0	0
	100.00 (default)	0	0	0	0	0	0	0
	Subtotal	**10,244**	**0.12**	**148**	**16.45**	**2.0**	**304**	**3**
Corporates								
	0 to <0.15	5,315	0.04	81	14.45	2.4	284	0
	of which [0 to <0.10]	4,690	0.03	36	10.38	2.3	67	0
	of which [0.10 to <0.15]	625	0.11	45	45.00	2.5	216	0
	0.15 to <0.25	313	0.20	55	45.00	2.5	152	0
	0.25 to <0.50	510	0.33	99	45.00	2.5	322	1
	0.50 to <0.75	131	0.73	80	45.00	2.5	119	1
	0.75 to <2.50	22	1.40	37	45.00	2.5	26	1
	of which [0.75 to <1.75]	22	1.40	37	45.00	2.5	26	1
	of which [1.75 to <2.50]	0	0	0	0	0	0	0
	2.50 to <10.00	108	3.91	57	45.00	2.5	166	2
	of which [2.50 to <5.00]	108	3.91	57	45.00	2.5	166	2
	of which [5.00 to <10.00]	0	0	0	0	0	0	0
	10.00 to <100.00	11	10.13	20	45.00	2.5	24	2
	of which [10.00 to <20.00]	11	10.13	20	45.00	2.5	24	2
	of which [20.00 to <30.00]	0	0	0	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0	0	0	0
	100.00 (default)	9	100.00	4	45.00	2.5	0	0
	Subtotal	**6,421**	**0.32**	**433**	**19.71**	**2.5**	**1,091**	**17**
TOTAL		**16,666**	**20.00**	**581**	**17.71**	**2.3**	**1,395**	**8**

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity *(in years)*	RWAs	RWA density
Institutions (banks)								
	0 to <0.15	7,518	0.1	116	22	2.0	173	2
	of which [0 to <0.10]	6,895	0.0	96	22	2.0	120	2
	of which [0.10 to <0.15]	623	0.1	20	18	1.8	53	8
	0.15 to <0.25	688	0.2	20	10	1.8	85	12
	0.25 to <0.50	58	0.4	5	45	1.4	3	5
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	18	1.0	2	14	1.5	7	42
	of which [0.75 to <1.75]	18	1.0	2	14	1.5	7	42
	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	**8,282**	**0.1**	**143**	**21**	**2.0**	**268**	**3**
Corporates								
	0 to <0.15	4,526	0.0	137	14	2.5	405	9
	of which [0 to <0.10]	4,082	0.0	74	11	2.5	248	6
	of which [0.10 to <0.15]	444	0.1	63	44	2.5	156	35
	0.15 to <0.25	0	0.0	0	0	0.0	0	0
	0.25 to <0.50	526	0.3	89	45	2.5	327	62
	0.50 to <0.75	0	0.0	0	0	0.0	0	0
	0.75 to <2.50	152	1.0	108	45	2.5	154	102
	of which [0.75 to <1.75]	152	1.0	108	45	2.5	154	102
	of which [1.75 to <2.50]	0	0.0	0	0	0.0	0	0
	2.50 to <10.00	150	3.3	72	45	2.5	219	146
	of which [2.50 to <5.00]	150	3.3	72	45	2.5	219	146
	of which [5.00 to <10.00]	0	0.0	0	0	0.0	0	0
	10.00 to <100.00	10	15.9	19	45	2.5	26	249
	of which [10.00 to <20.00]	10	15.9	19	45	2.5	26	249
	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)	10	100.0	6	45	2.5	0	0
	Subtotal	**5,374**	**0.4**	**431**	**19**	**2.5**	**1,130**	**21**
TOTAL		**13,656**	**19.0**	**574**	**20**	**2.3**	**1,398**	**10**

TABLE 47: 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 48: RWA FLOW STATEMENTS OF CCR EXPOSURES UNDER THE INTERNAL MODEL METHOD (EU CCR7)

CIC does not use internal models (IMM) for the treatment of derivatives and repurchase agreements.

TABLE 49: 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)	**-**	**25**	**-**	**23**
Trade exposures with QCCPs (excluding initial margin and default fund contributions); of which	502	16	238	12
(i) Over-the-counter derivatives	176	9	182	11
(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	935	-	897	-
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.

It should be noted that in the event of a three-notch downgrade in its credit rating, the impact on the amount of collateral provided by the group would not be significant, it would be limited to +2.5%.

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 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

CIC 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 CIC 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 established at the level of the Crédit Mutuel group.

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 that the questions 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.

5.10.4 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 50: CREDIT RISK MITIGATION (CRM) TECHNIQUES – GENERAL OVERVIEW (EU CR3)

12/31/2023 *(in € millions)*	Unsecured exposures: Carrying amount	Guaranteed exposures			
			Of which collateralized exposures*	Of which exposures secured by financial guarantees	Of which exposures secured by credit derivatives
1 – Loans and advances	147,039	197,046	165,719	31,327	0
1 - Debt securities	24,769	0	0	0	-
3 – TOTAL	**171,807**	**197,046**	**165,719**	**31,327**	**0**
4 – Of which non-performing exposures	833	3,463	1,970	1,492	0
5 – of which defaulted	833	3,463	-	-	-

** 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 has resulted from implementation of CRM techniques.

12/31/2022 *(in € millions)*	Unsecured exposures: Carrying amount	Guaranteed exposures			
			Of which collateralized exposures*	Of which exposures secured by financial guarantees	Of which exposures secured by credit derivatives
1 – Loans and advances	156,412	189,670	156,787	32,883	0
1 – Debt securities	22,015	0	0	0	-
3 – TOTAL	**178,427**	**189,670**	**156,787**	**32,883**	**0**
4 – Of which non-performing exposures	711	2,842	1,525	1,317	0
5 – of which defaulted	711	2,842	-	-	-

** 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.*

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TABLE 51: STANDARDIZED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS (EU CR4)

12/31/2023 *(in € millions)*	Pre-CCF and CRM exposures		Post-CCF and CRM exposures		RWAs and RWA density	
Category of exposure	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 – Central governments or central banks	57,839	765	63,717	195	915	1%
2 – Regional or local authorities	277	4	284	2	45	16%
3 – Public sector (Public organizations excluding central governments)	14,426	214	14,891	335	0	0%
4 – Multilateral development banks	290	0	290	0	0	0%
5 – International organizations	213	0	213	0	0	0%
6 – Institutions (banks)	5,717	240	5,708	111	330	6%
7 – Corporates	10,425	1,714	9,718	676	8,843	85%
8 – Retail customers	2,374	1,301	2,136	395	1,621	64%
9 – Exposures secured by real estate mortgages	9,126	236	9,126	108	3,871	42%
10 – Exposures in default	1,215	94	1,133	49	1,383	117%
11 – Exposures presenting a particularly high risk	1,993	58	1,976	27	3,005	150%
12 – Covered bonds	0	0	0	0	0	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	359	0	359	0	559	156%
15 – Equity exposure	275	0	275	0	275	100%
16 – Other assets	996	0	996	0	944	95%
17 – TOTAL	**105,523**	**4,626**	**110,822**	**1,898**	**21,791**	**19%**

The Crédit Mutuel group does not use credit derivatives as a credit risk mitigation technique (zero impact on RWA).

12/31/2022 *(in € millions)*	Pre-CCF and CRM exposures		Post-CCF and CRM exposures		RWAs and RWA density	
Category of exposure	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 – Central governments or central banks	76,220	728	84,302	155	639	1%
2 – Regional or local authorities	342	5	324	1	57	18%
3 – Public sector (Public organizations excluding central governments)	12,205	160	12,744	325	9	0%
4 – Multilateral development banks	564	0	564	0	0	0%
5 – International organizations	208	0	208	0	0	0%
6 – Institutions (banks)	5,280	95	5,278	41	286	5%
7 – Corporates	10,859	2,443	9,960	801	9,359	87%
8 – Retail customers	2,503	795	2,179	320	1,603	64%
9 – Exposures secured by real estate mortgages	8,982	290	8,982	138	3,987	44%
10 – Exposures in default	783	48	758	34	969	122%
11 – Exposures presenting a particularly high risk	1,685	148	1,662	72	2,587	149%
12 – Covered bonds	5		5	0	3	50%
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	454	0	454	0	627	138%
15 – Equity exposure	110	0	110	0	110	100%
16 – Other assets	1,046	0	1,046	0	979	94%
17 – TOTAL	**121,245**	**4,712**	**128,576**	**1,888**	**21,214**	**16%**

The Crédit Mutuel group does not use credit derivatives as a credit risk mitigation technique (zero impact on RWA).

TABLE 52: 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 CIC.

TABLE 53: 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 of exposures hedged by other eligible collateral *(as a %)*				Portion of exposures hedged by other forms of financed credit protection *(as a %)*							
12/31/2023 *(in € millions)* **IRBA exposures**	Total exposures	Portion of exposures hedged by financial collateral *(as a %)*		Portion of exposures hedged by real estate collateral *(as a %)*	Portion of exposures hedged by loans to be recovered *(as a %)*	Portion of exposures hedged by other actual collateral *(as a %)*		Portion of exposures hedged by cash deposits *(as a %)*	Portion of exposures hedged by life insurance policies *(as a %)*	Portion of exposures hedged by instruments held by third parties *(as a %)*	Portion of exposures hedged by guarantees *(as a %)*	Portion of exposures hedged 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	0.0	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	0.0	0.0	0.0	0.0	0.0	0	0
3 – Corporates	49,871	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	0.0	24,361	23,609
3.1 – Of which corporates – SMEs	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
3.2 – Of which corporates – Specialized financing	26,677	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	0.0	10,987	10,699
3.3 – Of which corporates – Other	23,193	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4	0.0	13,374	12,910
4 – Retail customers	147,047	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	0.0	20,900	19,726
4.1 – Of which Retail customers – Real estate – SMEs	19,214	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,783	3,783
4.2 – of which retail customers – Real estate – non-SMEs[2]	90,031	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,385	8,385
4.3 – Of which Retail customers – eligible revolving exposures	3,591	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	487	487
4.4 – Of which Retail customers – Other SMEs	21,448	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.1	0.0	6,435	5,261
4.5 – Of which Retail customers – Other non-SMEs	12,763	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,810	1,809
5 - TOTAL	**196,917**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.8**	**0.0**	**45,261**	**43,334**

(1) Columns only include 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.

12/31/2023 *(in € millions)* IRBF exposures		Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a %)*				Portion of exposures hedged by other forms of financed credit protection *(as a %)*							
	Total exposures	Portion of exposures hedged by financial collateral *(as a %)*		Portion of exposures hedged by financial collateral *(as a %)*	Portion of exposures hedged by real estate collateral *(as a %)*	Portion of exposures hedged by loans to be recovered *(as a %)*		Portion of exposures hedged by cash deposits *(as a %)*	Portion of exposures hedged by life insurance policies *(as a %)*	Portion of exposures hedged by instruments held by third parties *(as a %)*	Portion of exposures hedged by guarantees *(as a %)*	Portion of exposures hedged by credit derivatives *(as a %)*	RWEA without substitution effects (reduction effects only)	RWEA with substituti effects (reductio and substitution effects)
1 – Central governments and central banks	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
2 – Institutions	32,673	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	5,390	5,321
3 – Corporates	60,311	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	0.0	43,791	41,081
3.1 – Of which corporates – SMEs	10,110	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,049	8,049
3.2 – Of which corporates – Specialized financing	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
3.3 – Of which corporates – Other	50,200	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	35,741	33,032
4 – TOTAL	**92,984**	**1.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**6.6**	**0.0**	**49,180**	**46,402**

12/31/2022 *(in € millions)* IRBA exposures	Total expo-sures	Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection*									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a %)*				Portion of exposures hedged by other forms of financed credit protection *(as a %)*							
		Portion of expo-sures hedged by financial colla-teral *(as a %)*		Portion of expo-sures hedged by real estate colla-teral *(as a %)*	Portion of expo-sures hedged by loans to be reco-vered *(as a %)*	Portion of expo-sures hedged by other actual colla-teral *(as a %)*		Portion of expo-sures hedged by cash deposits *(as a %)*	Portion of expo-sures hedged by life insu-rance policies *(as a %)*	Portion of exposures hedged by instru-ments held by third parties *(as a %)*	Portion of expo-sures hedged by gua-rantees *(as a %)*	Portion of expo-sures hedged by credit deri-vatives *(as a %)*	RWEA without substi-tution effects (reduc-tion effects only)	RWEA with substi-tution effects (reduc-tion and substi-tution effects)
1 – Central governments and central banks	0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0	0
3 – Corporates	50,343	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.8	0.0	24,345	23,006
3.1 – Of which corporates – SMEs	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
3.2 – Of which corporates – Specialized financing	27,123	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.9	0.0	10,369	9,753
3.3 – Of which corporates – Other	23,219	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6	0.0	13,977	13,253
4 – Retail customers	144,218	0.0	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	2.8	0.0	20,592	19,395
4.1 – Of which Retail customers – Real estate – SMEs	17,749	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,029	4,029
4.2 – Of which Retail customers – Real estate – non-SMEs	86,004	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9,185	9,185
4.3 – Of which Retail customers – eligible revolving exposures	4,142	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	491	491
4.4 – Of which Retail customers – Other SMEs	22,241	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	18.2	0.0	5,144	4,151
4.5 – Of which Retail customers – Other non-SMEs	14,082	0.0	7.5	7.5	0.0	0.0	0.0	0.0	0.0	0.0	7.5	0.0	1,742	1,538
5 – TOTAL	**194,561**	**0.0**	**0.5**	**0.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.9**	**0.0**	**44,937**	**42,401**

* *Columns only include 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.*

12/31/2022 *(in € millions)* IRBF exposures	Total expo-sures	Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a %)*				Portion of exposures hedged by other forms of financed credit protection *(as a %)*							
		Portion of expo-sures hedged by financial colla-teral *(as a %)*		Portion of expo-sures hedged by financial colla-teral *(as a %)*	Portion of expo-sures hedged by real estate colla-teral *(as a %)*	Portion of expo-sures hedged by loans to be reco-vered *(as a %)*		Portion of expo-sures hedged by cash deposits *(as a %)*	Portion of expo-sures hedged by life insu-rance policies *(as a %)*	Portion of exposures hedged by instru-ments held by third parties *(as a %)*	Portion of expo-sures hedged by gua-rantees *(as a %)*	Portion of expo-sures hedged by credit deriva-tives *(as a %)*	RWEA without substi-tution effects (reduc-tion effects only)	RWEA with substi-tution effects (reduc-tion and substi-tution effects)
1 – Central governments and central banks	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
2 – Institutions	27,691	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	4,075	4,046
3 – Corporates	56,611	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.7	0.0	41,285	37,872
3.1 – Of which corporates – SMEs	8,914	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,189	7,189
3.2 – Of which corporates – Specialized financing	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
3.3 – Of which corporates – Other	47,697	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.4	0.0	34,097	30,684
4 – TOTAL	**84,302**	**1.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**5.9**	**0.0**	**45,360**	**41,919**

5

TABLE 54: COMPOSITION OF COLLATERAL FOR CCR EXPOSURES (EU CCR5)

	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	
12/31/2023 *(in € millions)* **Type of collateral**	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation
Cash – national currency	3	1,315	784	1,024	0	386	0	132
Cash – other currencies	2	299	124	414	0	230	0	57
National sovereign debt	0	0	0	0	0	6,407	33	6,199
Other sovereign debt	0	0	0	0	0	2,246	0	1,942
Public administration debt	0	0	0	0	0	0	0	63
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	6,216
TOTAL	**6**	**1,614**	**907**	**1,438**	**0**	**16,389**	**33**	**16,858**

	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	
12/31/2022 *(in € millions)* **Type of collateral**	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation	Segregated	Not subject to segregation
Cash – national currency	4	2,477	832	1,614	0	416	0	185
Cash – other currencies	9	532	78	931	0	193	0	138
National sovereign debt	0	0	0	0	0	5,219	0	5,105
Other sovereign debt	0	0	0	0	0	2,529	0	2,699
Public administration debt	0	0	0	0	0	341	0	491
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	4,960	0	7,006
TOTAL	**13**	**3,010**	**910**	**2,545**	**0**	**16,030**	**0**	**17,132**

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 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 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 €562 million (up 6%) and represented a book value of €9.47 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 73.4% 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).

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 23% 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 55: BREAKDOWN OF SECURITIZATION OUTSTANDINGS

Breakdown of assets by portfolio *(in € millions)*	12/31/2023	12/31/2022
Banking book	9,253	8,553
Trading book	213	351
TOTAL OUTSTANDINGS*	**9,466**	**8,904**

** These outstandings do not include the tranches sponsored by the US agencies Ginnie-Mae and SBA.*

Breakdown of outstandings Investment Grade/Non Investment Grade *(as %)*	12/31/2023	12/31/2022
Investment Grade category (of which AAA 78%)	77%	81%
Non-Investment Grade category	0%	0%
Not rated externally, equivalent to full consolidation	23%	19%
TOTAL	**100%**	**100%**

Geographic breakdown of outstandings	12/31/2023
USA	35%
France	34%
Spain	7%
The Netherlands	7%
Italy	5%
United Kingdom	3%
Germany	3%
Australia	2%
Ireland	2%
Austria	1%
Finland	1%
Portugal	0%
Luxembourg	0%
Belgium	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. 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 1 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 56: 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				Classic			
	STS	Non STS	Summarized	Subtotal	STS	Non STS	Summarized	Subtotal
1 - Total exposures	**0**	**1,613**	**0**	**0**	**2,475**	**5,165**	**0**	**9,253**
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	1,613	0	0	456	4,312	0	6,380
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	1,613	0	0	456	461	0	2,529
11 - Other wholesale customer exposures	0	0	0	0	0	0	0	0
12 - Resecuritization	0	0	0	0	0	0	0	0

CIC does not act as originator.

12/31/2022 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**2,328**	**6,225**	**0**	**8,553**
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	5,494	0	6,028
Corporate loans	0	3,996	0	3,996
Commercial mortgages	0	0	0	0
Lease payments and receivables	533	1,498	0	2,032
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

CIC does not act as originator or as sponsor.

TABLE 57: 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

CIC does not act as originator or as 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

CIC does not act as originator or as sponsor.

TABLE 58: SECURITIZATION POSITIONS AND RISK-WEIGHTED ASSETS – ORIGINATOR AND SPONSOR (EU SEC3)

	Securities at risk (by weighting range/deductions)					Value at risk (by regulatory approach)				RWEA (by regulatory approach)				Capital requirement after application of the cap			
12/31/2023 *(in € millions)*	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
1 - Total exposures	**1,613**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**227**	**0**	**0**	**0**	**18**	**0**
2 - Traditional transactions	1,613	0	0	0	0	0	0	0	0	0	0	227	0	0	0	18	0
3 - Securitization	1,613	0	0	0	0	0	0	0	0	0	0	227	0	0	0	18	0
4 - Retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 - Of which STS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 - Wholesale customers	1,613	0	0	0	0	0	0	0	0	0	0	227	0	0	0	18	0
7 - Of which STS	300	0	0	0	0	0	0	0	0	0	0	30	0	0	0	2	0
8 - Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 - Synthetic transactions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 - Securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 - Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 - Wholesale customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 - Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

At December 31, 2023, CIC does not act as originator.

TABLE 59: 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)				RWEA (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)					Value at risk (by regulatory approach)				RWEA (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	**8,116**	**138**	**54**	**246**	**0**	**0**	**6,861**	**1,692**	**0**	**0**	**1,459**	**250**	**0**	**0**	**117**	**20**	**0**
Classic securitization	8,116	138	54	246	0	0	6,861	1,692	0	0	1,459	250	0	0	117	20	0
Securitization	8,116	138	54	246	0	0	6,861	1,692	0	0	1,459	250	0	0	117	20	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	5,674	72	39	243	0	0	4,336	1,692	0	0	1,095	250	0	0	88	20	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 60: 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			
12/31/2023 *(in € millions)*		Of which exposures in default	Total amount of specific credit risk adjustments made during the period	
Total exposures	**993**	**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)	993	0	0	0
Corporate loans	0	0	0	0
Commercial mortgages	0	0	0	0
Lease payments and receivables	993	0	0	0
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

At December 31, 2023, CIC does not act as originator.

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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 commercial) and Singapore (investment and commercial).

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.

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 Capital Markets permanent control (CPM) function, which reports to the permanent controls department (PCD), 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 division, which supervises accounting procedures and templates and is responsible for accounting and regulatory controls.

The third-level 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 that meets monthly and a Group Treasury Risk Committee 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.

The Market Risk Committee is chaired by the Chief Executive Officer of CIC and BFCM in charge of CIC Marchés 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 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 61: 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	991	79
2 – Equity risk (general and specific)	752	60	787	63
3 – Currency risk	0	0	0	0
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	0	0	0	0
8 – Securitization (specific risk)	115	9	161	13
9 – TOTAL	**1,773**	**142**	**1,954**	**156**

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 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 increased overall compared to 2022 in order to reflect the further calculation in regulatory measures and no longer of internal standard measures. For 2024, the limits have been revised upwards to take into account the 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 in 2023 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 France 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 2023, 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, its lowest level 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 CIC, asset-liability management (ALM) mainly involves the management of liquidity and interest rate risks. This management is centralized at Crédit Mutuel Alliance Fédérale level, which manages the processes.

The decision making committees of Crédit Mutuel Alliance Fédérale and CIC 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 CIC and its subsidiaries. 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 CIC and other entities (CIC regional banks, 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, and then CIC, 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 (RTS - Regulatory Technical Standards) 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 and for CIC.

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.

Like CIC, certain entities have a specific 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 horizon and is expressed as a percentage of each entity's net interest income.

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.

For the regulatory view, the central scenario corresponds to the forward rates derived from the discount curve to date.

These forecasts are made quarterly under the aegis of CNCM.

The other interest rate scenarios are the following:

Internal view

- 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);
- Increase in the yield curve of 100 bp 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%;
- A 100 bp increase in inflation scenario.

The liquidity gap funding scenarios are studied with a 100% EURIBOR 3-month backing.

At December 31, 2023, the net interest margin of CIC's banking book was exposed on the dynamic balance sheet over one year to a decrease of -€192 million, *i.e.* -5.88% and, at two years, to -€229 million, *i.e.* -7.01%, based on the 100 bp rate decrease scenario with no floor.

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TABLE 62: NET REVENUE SENSITIVITY INDICATORS

	12/31/2023		12/31/2022	
	Sensitivity as a % of net revenue		Sensitivity as a % of net revenue	
Internal view*	1 year	2 years	1 year	2 years
100 bp increase in the yield curve - dynamic balance sheet	5.81%	6.33%	8.54%	9.36%
100 bp decrease in the yield curve - dynamic balance sheet	-5.88%	-7.01%	-8.28%	-8.58%
Stagflation scenario	-22.53%	1.62%	-1.59%	-34.94%
100 bp increase in the yield curve - constant balance sheet	6.84%	8.88%	10.45%	12.17%
100 bp decrease in the yield curve - constant balance sheet	-6.91%	-9.58%	-10.38%	-11.73%

** 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.*

	12/31/2023	
	Sensitivity as a % of net revenue	
REGULATORY VIEW*	1 year	2 years
100 bp increase in the yield curve	11.90%	16.12%
100 bp decrease in the yield curve, with no floor	-12.03%	-17.33%
Flattening/inversion of the yield curve	5.54%	11.86%
200 bp increase in the yield curve	24.67%	33.29%
200 bp decrease in the yield curve	-11.66%	-18.48%
100 bp increase in inflation scenario	-2.06%	-4.28%

** 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).*

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 3-month rate financed by €STR resources.

5.13.2.3 Regulatory indicators

The Net Present Value (NPV) sensitivity as a percentage of capital is calculated according to the recommendations of the EBA (effective as of June 30, 2019):

- 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, CIC's NPV sensitivity is below the limit of 15% of Tier 1 capital, to:

- a 200-bp drop in interest rates makes for +3.45% (+€621 million);
- a 200-bp rise in interest rates makes for -13.26% (-€2,390 million).

TABLE 63: NPV SENSITIVITY TO TOTAL CAPITAL

	12/31/2023	12/31/2022
NPV sensitivity	In % of Tier 1 and Tier 2 capital	In % of Tier 1 and Tier 2 capital
Decrease of 200 bp	3.01%	5.26%
Increase of 200 bp	-11.56%	-11.05%

TABLE 64: SENSITIVITY OF NPV TO TIER 1 CAPITAL

	12/31/2023
NPV sensitivity	In % of Tier 1 capital
Decrease of 200 bp	3.45%
Increase of 200 bp	-13.26%
Reduction in short-term rates	4.58%
Increase in short-term rates	-9.25%
Sloping	1.68%
Flattening	-6.47%
Inflation +100 bp*	-4.75%

** Indicator not calculated in 2022.*

TABLE 65: INTEREST RATE RISK IN THE BANKING BOOK (EU IRRBB1)

	EVE		NII	
(in € millions)	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Downward parallel shift (-200 bp)	621	937	-382	-56
Upward parallel shift (+200 bp)	-2,390	-1,968	808	479
Reduction in short-term rates	825	397	-	-
Increase in short-term rates	-1,667	-777	-	-
Steepening of the yield curve	302	-179	-	-
Flattening of the yield curve	-1,167	-224	-	-
Inflation of 100 bp	-857	-	-	-

** 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	18,020	15,294
TOTAL CAPITAL (TIER 1 + TIER 2)	20,673	17,809

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, CIC 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 governance and management

CIC's liquidity risk management system is fully integrated into Crédit Mutuel Alliance Fédérale system. This system is based on the following factors:

- 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 situation;
- 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 Measurement and monitoring systems and hedging mechanism

The risk monitoring and measurement systems are comprehensive and cover the entire scope of CIC. Non-financial entities are excluded.

The entire system is based on a number of liquidity indicators with alert thresholds and limits:

- the monitoring of the LCR, representative of the short-term liquidity situation;
- the monitoring of the NSFR, representative of the medium/long-term liquidity situation;
- monitoring the commitment factor;
- determination of the static liquidity gap based on contractual schedules that incorporate off-balance sheet commitments.

  Transformation ratios (sources/applications of funds) are calculated at maturities ranging from three months to five years and are subject to limits and alert thresholds:
- the calculation of the liquidity gap in a Basel III stress scenario, whose estimated future cash flows are based on 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 calculation of 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 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.

Table of qualitative/quantitative information on liquidity risk in accordance with Article 435 (1) of Regulation (EU) 575/2013 (EU LIQA)

See information on Pillar 3 reported by Crédit Mutuel Alliance Fédérale.

5.13.3.3 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.

The liquidity situation of the consolidated scope of CIC is as follows:

- an average LCR of 149.1% over the year 2023 (*vs*. 121.6% in 2022) due notably to the improvement to the sales gap;
- average liquid assets comprising 86% of central bank deposits.

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TABLE 66: SHORT-TERM LIQUIDITY COVERAGE RATIO – LCR (EU LIQ1)

(in € millions)	Total unweighted value				Total weighted value			
	03/31/2023	06/30/2023	09/30/2023	12/31/2023	03/31/2023	06/30/2023	09/30/2023	12/31/2023
High-quality assets								
1 – TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA)	**-**	**-**	**-**	**-**	**67,717**	**68,142**	**66,614**	**63,195**
Cash outflows								
2 – Retail deposits and deposits from small business customers, of which:	118,167	118,334	118,373	118,540	9,429	9,248	8,970	8,679
3 – Stable deposits	68,758	68,821	68,710	68,349	3,438	3,441	3,436	3,417
4 – Less stable deposits	46,611	44,971	42,627	40,105	5,943	5,726	5,411	5,076
5 – Unsecured wholesale funding	96,205	91,142	85,385	82,304	58,711	55,407	51,836	50,057
6 – Operational deposits (all counterparties) and deposits in networks of cooperative banks	13,968	13,416	12,832	12,694	3,324	3,184	3,028	2,984
7 – Non-operational deposits (all counterparties)	78,383	73,793	68,502	65,347	51,533	48,290	44,756	42,811
8 – Unsecured debt	3,854	3,933	4,052	4,263	3,854	3,933	4,052	4,263
9 – Secured wholesale funding	-	-	-	-	2,515	2,434	2,268	2,146
10 – Additional requirements	53,246	53,566	53,229	52,870	6,622	6,873	6,948	7,007
11 – Outflows related to derivative exposures and other collateral requirements	1,033	1,158	1,163	1,162	1,033	1,158	1,163	1,162
12 – Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13 – Credit and liquidity facilities	52,213	52,408	52,066	51,708	5,589	5,715	5,785	5,845
14 – Other contractual funding obligations	132	189	247	309	131	189	246	308
15 – Other contingent funding obligations	61	55	47	44	3	3	3	2
16 – TOTAL CASH OUTFLOWS	**-**	**-**	**-**	**-**	**77,412**	**74,154**	**70,271**	**68,200**
Cash inflows								
17 – Secured lending (such as reverse repurchase agreements)	10,440	10,110	9,657	9,015	4,720	4,726	4,805	4,775
18 – Inflows from fully performing exposures	23,443	23,809	23,849	24,961	17,899	18,245	18,318	19,327
19 – Other cash inflows	1,914	1,997	2,079	2,094	1,656	1,733	1,810	1,821
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	**35,797**	**35,917**	**35,585**	**36,070**	**24,275**	**24,703**	**24,933**	**25,923**
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	35,797	35,917	35,585	36,070	24,275	24,703	24,933	25,923
21 – LIQUIDITY BUFFER	**-**	**-**	**-**	**-**	**67,717**	**68,142**	**66,614**	**63,195**
22 – TOTAL NET CASH OUTFLOWS	**-**	**-**	**-**	**-**	**53,137**	**49,450**	**45,338**	**42,278**
23 – LIQUIDITY COVERAGE RATIO *(IN %)*[1]	**-**	**-**	**-**	**-**	**129%**	**140%**	**148%**	**149%**

(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.

	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)	-	-	-	-	**62,673**	**62,404**	**63,418**	**65,498**
Cash outflows								
2 – Retail deposits and deposits from small business customers, of which:	117,081	116,663	116,581	117,620	9,166	9,284	9,393	9,486
3 – Stable deposits	70,915	69,096	67,979	68,452	3,546	3,455	3,399	3,423
4 – Less stable deposits	44,445	45,949	47,051	47,392	5,607	5,818	5,981	6,039
5 – Unsecured wholesale funding	82,640	86,905	91,528	93,734	48,392	52,046	56,228	58,715
6 – Operational deposits (all counterparties) and deposits in networks of cooperative banks	13,475	13,766	13,808	13,944	3,250	3,308	3,349	3,366
7 – Non-operational deposits (all counterparties)	65,367	70,090	74,455	76,255	41,344	45,689	49,615	51,814
8 – Unsecured debt	3,798	3,050	3,265	3,535	3,798	3,050	3,265	3,535
9 – Secured wholesale funding	0	0	0	0	1,837	1,926	2,078	2,280
10 – Additional requirements	48,423	49,711	51,316	52,462	5,743	5,839	6,086	6,354
11 – Outflows related to derivative exposures and other collateral requirements	634	617	720	885	634	617	720	885
12 – Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13 – Credit and liquidity facilities	47,789	49,094	50,596	51,577	5,109	5,222	5,366	5,469
14 – Other contractual funding obligations	55	56	69	92	54	56	68	92
15 – Other contingent funding obligations	61	64	63	62	3	3	3	3
16 – TOTAL CASH OUTFLOWS	-	-	-	-	**65,195**	**69,154**	**73,856**	**76,930**
Cash inflows								
17 – Secured lending (such as reverse repurchase agreements)	10,413	10,289	10,008	10,261	4,117	4,258	4,234	4,431
18 – Inflows from fully performing exposures	19,670	20,615	21,609	22,291	14,198	15,117	16,048	16,756
19 – Other cash inflows	1,376	1,476	1,544	1,671	1,376	1,419	1,419	1,482
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	0	0	0
EU-19b – (Excess cash inflows from a related specialized credit institution)	0	0	0	0	0	0	0	0
20 – TOTAL CASH INFLOWS	**31,460**	**32,379**	**33,161**	**34,224**	**19,692**	**20,793**	**21,701**	**22,669**
EU-20a – Fully exempt cash inflows	-	-	-	-	-	-	-	-
EU-20b – Cash inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c – Cash inflows subject to 75% cap	31,460	32,379	33,161	34,224	19,692	20,793	21,701	22,669
21 – LIQUIDITY BUFFER	-	-	-	-	**62,673**	**62,404**	**63,418**	**65,498**
22 – TOTAL NET CASH OUTFLOWS	-	-	-	-	**45,503**	**48,361**	**52,155**	**54,261**
23 – LIQUIDITY COVERAGE RATIO *(IN %)*[1]	-	-	-	-	**139%**	**131%**	**123%**	**122%**

(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.*

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TABLE 67: DETAILS OF LIQUIDITY BUFFER – LCR

Amount after ECB weighting *(in € millions)*	12/31/2023	12/31/2022
Tier 1	47,996	66,180
Cash deposited in central banks	41,274	59,342
HQLAs	6,430	6,508
Cash deposits	292	330
Tier 2a	1,760	574
Tier 2b	2,494	1,859
TOTAL BUFFER	**52,250**	**68,614**

TABLE 68: BREAKDOWN OF CIC'S CONSOLIDATED BALANCE SHEET ACCORDING TO THE RESIDUAL MATURITY OF FUTURE CONTRACTUAL CASH FLOWS (PRINCIPAL AND INTEREST)

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	45,611	-	-	-	-	-	-	45,611
Demand deposits, credit institutions	8,095	-	-	-	-	-	-	8,095
Financial assets held for trading	6,658	3,292	3,843	1,930	6,000	2,951	1,262	25,937
Financial assets at fair value through profit or loss	53	3	32	48	220	281	150	786
Financial assets at fair value through shareholders' equity	897	1,321	1,127	2,023	7,190	6,734	0	19,293
Securities at amortized cost	1,271	34	318	673	1,197	977	28	4,498
Loans and receivables due from credit institutions	9,155	1,513	2,064	1,202	6,385	18,923	0	39,243
Customer loans and receivables	32,843	9,972	25,205	27,096	58,392	97,903	0	251,412
Liabilities								
Central bank deposits	31	0	0	0	0	0	0	31
Financial liabilities held for trading	5,993	3,864	2,411	702	3,005	1,447	4	17,426
Financial liabilities at fair value through profit or loss	38	0	108	0	0	0	0	146
Derivatives used for hedging purposes (liabilities)	6	19	111	239	1,163	58	0	1,597
Financial liabilities carried at amortized cost	**193,054**	**32,595**	**49,490**	**16,115**	**42,390**	**31,169**	**309**	**365,123**
Deposits, central bank	0	0	0	0	0	0	0	0
Deposits, public administration	1,550	798	1,467	122	128	17	0	4,082
Deposits, credit institutions	16,687	10,865	9,559	9,153	24,702	22,279	137	93,382
Deposits, other financial corporations	16,915	1,713	5,252	531	963	235	0	25,609
Deposits, non-financial corporations	80,112	8,517	15,668	3,615	5,775	635	0	114,322
Deposits, individuals	69,746	3,428	5,753	1,810	5,031	566	0	86,334
of which Debt securities, including bonds	5,381	7,050	11,437	863	3,742	6,312	0	34,784
of which Subordinated liabilities	0	2	7	14	2,038	1,074	171	3,305

(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.

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	65,940	-	-	-	-	-	-	65,940
Demand deposits, credit institutions	5,896	-	-	-	-	-	-	5,896
Financial assets held for trading	2,024	3,574	5,463	2,355	5,521	3,080	629	22,647
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	943	852	950	1,470	5,749	7,539	0	17,503
Securities at amortized cost	1,442	56	270	303	860	814	28	3,772
Loans and receivables due from credit institutions	10,237	1,189	1,802	1,195	3,503	17,132	0	35,058
Customer loans and receivables	30,779	9,208	22,695	25,351	57,964	93,506	0	239,504
Liabilities								
Central bank deposits	44	0	0	0	0	0	0	44
Financial liabilities held for trading	1,227	4,509	4,758	1,651	3,922	2,274	11	18,354
Financial liabilities at fair value through profit or loss	0	0	156	0	0	0	0	156
Derivatives used for hedging purposes (liabilities)	18	6	33	258	756	81	0	1,151
Financial liabilities carried at amortized cost	**211,981**	**37,563**	**38,222**	**13,560**	**31,501**	**28,372**	**164**	**361,364**
Deposits, central bank	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Deposits, public administration	*1,479*	*1,037*	*1,123*	*125*	*185*	*0*	*0*	*3,949*
Deposits, credit institutions	*16,752*	*22,447*	*15,292*	*6,905*	*19,720*	*20,892*	*0*	*102,008*
Deposits, other financial corporations	*18,807*	*1,570*	*2,017*	*502*	*643*	*198*	*0*	*23,737*
Deposits, non-financial corporations	*92,532*	*4,627*	*7,464*	*3,948*	*3,440*	*130*	*0*	*112,140*
Deposits, individuals	*73,817*	*1,579*	*2,334*	*1,400*	*2,707*	*472*	*0*	*82,308*
of which Debt securities, including bonds	5,192	5,964	9,709	668	2,878	5,400	0	29,811
of which Subordinated liabilities	0	1	0	7	1,914	1,214	163	3,300

(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.

Qualitative LCR information template to supplement the LCR publication template (EU LIQ1.19)

See information on Pillar 3 reported by Crédit Mutuel Alliance Fédérale.

TABLE 69: 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	19,277	0	0	2,456	21,733
2	*Shareholders' equity*	19,277	0	0	2,456	21,733
3	*Other capital instruments*	-	0	0	0	0
4	Retail customer deposits	-	119,111	325	97	111,066
5	*Stable deposits*	-	69,536	4	2	66,065
6	*Less stable deposits*	-	49,575	321	95	45,001
7	Wholesale financing	-	160,445	8,919	67,779	111,693
8	*Operational deposits*	-	14,210	0	0	7,105
9	*Other wholesale financing*	-	146,236	8,919	67,779	104,588
10	Interdependent commitments	-	13,564	0	0	0
11	Other commitments:	437	8,562	465	2,337	2,570
12	*Derivative commitments affecting the NSFR*	437	-	-	-	-
13	*All other capital commitments and instruments not included in the above categories*	-	8,562	465	2,337	2,570
14	**Total available stable funding**	**-**	**-**	**-**	**-**	**247,062**
STABLE FUNDING REQUIREMENTS						
15	Total High-Quality Liquid Assets (HQLA)	-	-	-	-	4,021
EU-15a	Assets encumbered with a residual maturity of one year or more in a cover pool	-	696	704	17,042	15,676
16	Deposits held with other financial institutions for operational purposes	-	0	0	0	0
17	Performing loans and securities:	-	64,266	19,657	207,735	195,730
18	*Financing transactions on performing securities with financial clients secured by high-quality liquid assets of level 1 subject to a haircut of 0%*	-	5,829	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*	-	23,658	1,710	19,998	23,499
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:*	-	23,456	10,635	84,324	92,034
21	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	1,068	1,689	3,565	5,588
22	*Performing residential mortgages, of which:*	-	4,053	4,377	84,082	59,361
23	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	3,358	3,571	72,162	48,478
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*	-	7,270	579	19,021	18,724
25	Interdependent assets	-	13,564	0	0	0
26	Other assets:	3,272	7,628	28	7,582	11,903
27	*Raw materials physically exchanged*	-	-	-	0	0
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	-		905		769
29	*Derivative assets affecting the NSFR*	-		653		653
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	-		1,714		86
31	*All other assets not falling within the above categories*	-	7,628	28	7,582	10,395
32	*Off-balance sheet items*	-	51,888	44	7	2,775
33	**Total required stable funding**	**-**	**-**	**-**	**-**	**230,104**
34	**Net stable funding ratio *(as a%)***	**-**	**-**	**-**	**-**	**107.37%**

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	17,798	0	0	2,839	20,638
2	*Shareholders' equity*	17,798	0	0	2,839	20,638
3	*Other capital instruments*	-	0	0	0	0
4	Retail customer deposits	-	118,248	113	107	110,118
5	*Stable deposits*	-	69,719	3	3	66,238
6	*Less stable deposits*	-	48,529	111	104	43,880
7	Wholesale financing	-	170,642	11,691	59,778	103,314
8	*Operational deposits*	-	14,785	0	0	7,392
9	*Other wholesale financing*	-	155,857	11,691	59,778	95,921
10	Interdependent commitments	-	11,258	0	0	0
11	Other commitments:	1,579	4,905	379	1,842	2,032
12	*Derivative commitments affecting the NSFR*	1,579	-	-	-	-
13	*All other capital commitments and instruments not included in the above categories*	-	4,905	379	1,842	2,032
14	**Total available stable funding**	**-**	**-**	**-**	**-**	**236,101**
STABLE FUNDING REQUIREMENTS						
15	Total High-Quality Liquid Assets (HQLA)	-	-	-	-	1,382
EU-15a	Assets encumbered with a residual maturity of one year or more in a cover pool	-	725	734	17,611	16,210
16	Deposits held with other financial institutions for operational purposes	-	0	0	0	0
17	Performing loans and securities:	-	64,562	19,342	193,442	188,741
18	*Financing transactions on performing securities with financial clients secured by high-quality liquid assets of level 1 subject to a haircut of 0%*	-	5,148	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*	-	26,254	1,585	15,325	19,336
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:*	-	21,429	10,797	82,037	88,516
21	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	567	769	637	0
22	*Performing residential mortgages, of which:*	-	4,051	4,075	78,695	61,699
23	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	3,379	3,334	66,499	50,476
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*	-	7,680	514	16,373	16,449
25	Interdependent assets	-	11,258	0	0	0
26	Other assets:	6,171	7,569	29	8,027	13,368
27	*Raw materials physically exchanged*	-	-	-	0	0
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	-		1,034		879
29	*Derivative assets affecting the NSFR*	-		1,494		1,494
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	-		3,644		182
31	*All other assets not falling within the above categories*	-	7,569	29	8,027	10,813
32	*Off-balance sheet items*	-	53,538	54	5	2,801
33	**Total required stable funding**	**-**	**-**	**-**	**-**	**222,501**
34	**Net stable funding ratio *(as a%)***	**-**	**-**	**-**	**-**	**106.11%**

5.13.3.4 Exposures to derivatives and collateral calls

Crédit Mutuel Alliance Fédérale's approach to interest rate and liquidity risk management includes appropriate hedging arrangements for CIC.

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.

5.13.3.5 Concentration of liquidity sources - Currency mismatch in the LCR

Given its commercial activities and the domestic markets on which it operates, CIC 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.

5.13.3.6 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, CIC and other group entities (regional banks, etc.).

5.13.4 Currency risk management

The foreign currency positions of each CIC entity are automatically centralized on CIC and BFCM holding structure. 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.

Accordingly, with the exception of certain long-term private equity transactions in foreign currencies, no group entity bears currency risk at its own level. The holding structure is responsible for clearing foreign currency positions on a daily and monthly basis on the market.

Only the Capital Markets of CIC Marchés and group treasury (which are housed at BFCM) have a specific limit for foreign currency positions.

The structural foreign currency positions resulting from 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 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, CIC 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 function and the 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 lcapital evel of capital required to be held for operational risk.

Since January 1, 2010, CIC has been authorized to use its advanced measurement approach to calculate its regulatory capital requirements related to operational risk, with the exception of expected losses on capital requirements, for the consolidated scope excluding foreign subsidiaries, the Cofidis group and Crédit Mutuel Factoring.

Approval was extended to Crédit Mutuel Factoring from January 1, 2012 and to Banque de Luxembourg from September 30, 2013.

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 that is applied across CIC and uses an approach for identifying and modeling risks so as to calculate the level of capital required to be held 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 in accordance with 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 helps to enhance risk mapping and the operational risk measurement system as a whole.

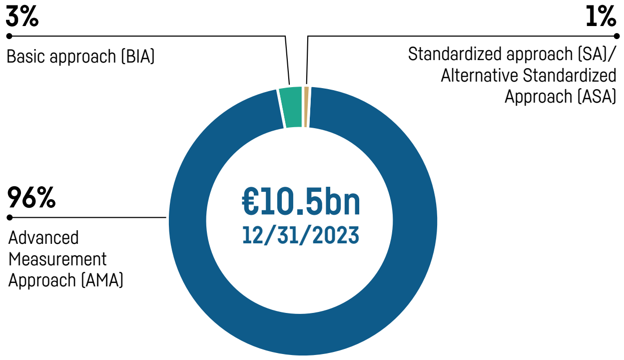
5.14.2.2 Authorized scope for AMA method

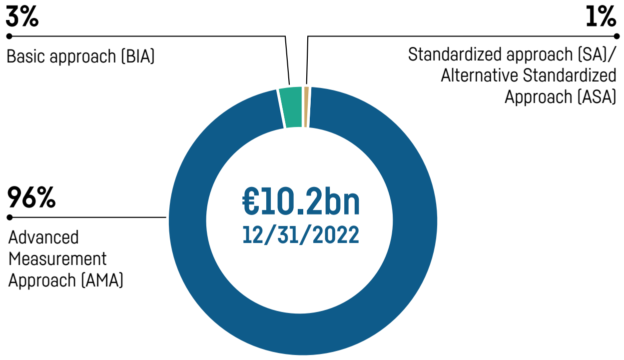
CIC is authorized to use its advanced measurement approach (internal models) to calculate its regulatory capital requirements for operational risk (96% of the scope as of December 31, 2023).

This authorization took effect on January 1, 2010 for the group's consolidated scope, 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.

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.

5.14.4 Documentation and procedures

The group consistently applies 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 CIC 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.

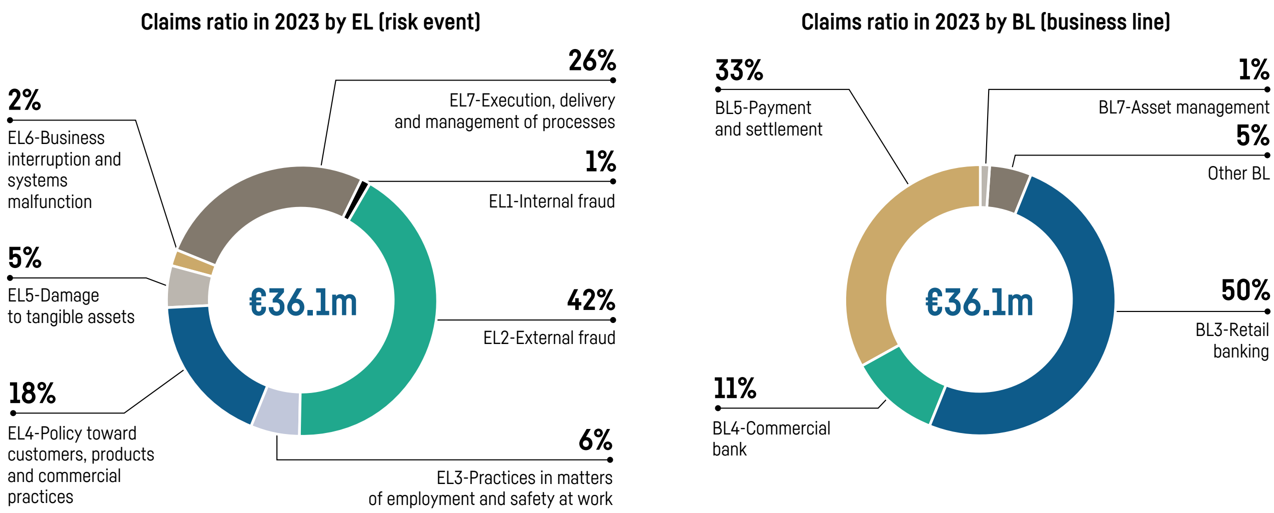
CIC's insurance programs comply with the provisions of Articles 323 of Regulation (EU) No. 575/2013 of the European Parliament and Council of June 26, 2013 concerning the deduction of insurance under the advanced method approach (AMA).

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 CIC claims inventory

Total claims of CIC amounted to €36.1 million in 2023, of which €30.3 million in losses, €14.4 million in provisions and €8.6 million in reversals of provisions for previous claims. They are broken down as follows:

GRAPH 16: ANNUAL LOSS EXPERIENCE BY BUSINESS LINE AND RISK EVENT (EU OR1)



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 floodplains, 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 the CSR section.

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, CIC has reported to the competent authorities on the quantity of unencumbered assets at its disposal and their principal 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 CIC were as follows:

TABLE 70: ENCUMBERED AND UNENCUMBERED ASSETS (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	**46,069**	**5,081**	-	-	**373,036**	**9,320**	-	-
030 – Equity instruments	5	0	5	0	5,500	212	5,506	212
040 – Debt securities	10,698	4,962	10,705	4,861	20,306	9,084	18,164	9,151
050 – Of which secured bonds	417	417	417	417	77	77	77	77
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	2,879	2,582	2,922	2,582	5,976	5,123	5,725	5,270
080 – Of which issued by financial corporations	6,073	1,496	5,981	1,416	11,282	2,392	9,394	2,495
090 – Of which issued by non-financial corporations	1,584	758	1,584	758	2,088	149	2,154	164
120 – Other assets	35,901	118	-	-	346,905	0	-	-

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

12/31/2022 *(in € millions)*	Carrying amount of encum-bered assets	of which HQLA and EHQLA	Fair value of encum-bered assets	of which HQLA and EHQLA	Carrying amount of unencum-bered assets	of which HQLA and EHQLA	Fair value of unencum-bered assets	of which HQLA and EHQLA
010 – Institution assets	**62,434**	**5,149**	**-**	**-**	**347,073**	**6,778**	**-**	**-**
030 – Equity instruments	6	5	6	5	5,003	100	5,003	100
040 – Debt securities	10,584	5,008	10,526	4,966	17,388	6,657	16,359	6,887
050 – Of which secured bonds	276	276	276	276	41	41	41	41
060 – Of which asset-backed securities	2,036	842	2,277	904	715	87	503	87
070 – Of which issued by public administrations	3,360	2,960	3,360	2,958	4,256	3,811	4,235	3,910
080 – Of which issued by financial corporations	5,874	1,218	5,854	1,314	9,385	1,712	8,249	1,761
090 – Of which issued by non-financial corporations	1,617	761	1,617	761	2,721	125	2,677	125
120 – Other assets	51,532	122	-	-	324,268	0	-	-

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

TABLE 71: COLLATERAL RECEIVED (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**	**6,915**	**2,113**
140 – Loans on demand	0	0	0	0
150 – Equity instruments	727	204	741	140
160 – Debt securities	13,906	9,773	6,466	2,010
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	664	660
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	0	0
230 – Other collateral received	0	0	0	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	**60,893**	**15,030**	**-**	**-**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

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**	**7,261**	**2,899**
140 – Loans on demand	0	0	0	0
150 – Equity instruments	944	446	356	104
160 – Debt securities	12,390	8,792	6,530	2,772
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	777	773
200 – Of which issued by financial corporations	4,596	1,538	4,399	1,773
210 – Of which issued by non-financial corporations	778	457	1,237	102
220 – Loans and advances other than loans on demand	0	0	0	0
230 – Other collateral received	0	0	0	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	**75,768**	**14,629**	**-**	**-**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

TABLE 72: CARRYING AMOUNT OF ENCUMBERED ASSETS/COLLATERAL RECEIVED AND LIABILITIES BACKED (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	**23,671**	**25,439**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

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	**24,736**	**24,523**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

5.16 EQUITY RISK

The equity risk run by CIC 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 €4,026 million (see note 5a to the consolidated financial statements).

Long-term investments recognized as other fair value through profit or loss amounted to €505 million as of December 31, 2023, of which €134 million in equity investments and €43 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 €0 million and €294 million, respectively.

Long-term investments included:

- equity investments for €89 million;
- other long-term investments for €158 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 73: 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) Deconsolidation of CM Capital Privé at March 31, 2023. This data is no longer provided.
Source: Crédit Mutuel Equity.

Proprietary trading investments were spread over approximately 305 lines (excluding investments in funds), primarily covering small- and medium-sized enterprises.

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

CIC is fully in line with Crédit Mutuel Alliance Fédérale's strategy to manage its environmental, social and governance risks.

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.

This structure is described in the non-financial performance statement (NFPS), Chapter 3.2.

(1) *Environmental, social and governance.*

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:

- 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 will be marked by an evolution of the organization in the monitoring of ESG issues and risks. In September 2023, Crédit Mutuel Alliance Fédérale announced the creation of the "Institut Mutualiste pour l'Environnement et la Solidarité" i.e. Mutualist Institute for the Environment and Solidarity, whose purpose, when it is operational at the end of the first quarter of 2024, is to become the group's reference center of expertise in ESG issues. The institute will be an operational department of Caisse Fédérale de Crédit Mutuel (CFCM) directly reporting to the Chief Executive Officer of CFCM. 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 - ESD 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 ESD 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) or 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 also 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 steer manage the common challenges related to of 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 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), Crédit Mutuel Alliance Fédérale has published its commitments, in a separate publication, on the first two economic sectors identified as emissive. 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 100 gCO_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.

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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 do this, 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 notably 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 proactive 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 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).

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 while continuing 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.

(1) First budget envelope of more than €2 million.

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 operations carried out between 2020 and 2022 mainly concerned wind and photovoltaic projects. 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.

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 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 duty 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.

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.

(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)
Rapport_extra_financier.pdf (creditmutuelimpact.fr)
2022 Entity Report - Article 29 Climate Energy Act.pdf (cic-privatedebt.eu)

Delete, 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 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 on 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 are 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

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 approaches have been implemented to improve the data availability, quality and accuracy, including 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.

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.

(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.

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 La Française Group 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 in 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 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

Economic strategy and processes		Corresponding chapter
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	Chapter 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 74 - 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		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
Exposures to sectors that contribute significantly to climate change[1]	102,383	649	189	6,603	3,837
2 – A – Agriculture, forestry and fishing	4,048	-	0	238	129
3 – B – Extractive industries	535	198	2	10	11
4 – B.05 – Coal and lignite extraction	*-*	*-*	*-*	*-*	*-*
5 – B.06 – Extraction of hydrocarbons	*96*	*80*	*-*	*-*	*-*
6 – B.07 – Extraction of metal ores	*1*	*-*	*-*	*-*	*-*
7 – B.08 – Other extractive industries	*309*	*118*	*2*	*10*	*11*
8 – B.09 – Support services to extractive industries	*130*	*0*	*0*	*0*	*0*
9 – C – Manufacturing industry	11,610	46	34	600	673
10 – C.10 – Food industries	1,854	-	0	152	129
11 – C.11 – Manufacture of beverages	*777*	*-*	*0*	*13*	*15*
12 – C.12 – Manufacture of tobacco products	*0*	*-*	*-*	*-*	*-*
13 – C.13 – Manufacture of textiles	*140*	*-*	*0*	*6*	*11*
14 – C.14 – Clothing industry	*101*	*-*	*-*	*9*	*16*
15 – C.15 – Leather and footwear industry	*119*	*-*	*-*	*4*	*14*
16 – C.16 – Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	*409*	*-*	*0*	*21*	*18*
17 – C.17 – Paper and cardboard industry	*209*	*-*	*0*	*10*	*11*
18 – C.18 – Printing and reproduction of recordings	*239*	*-*	*0*	*19*	*22*
19 – C.19 – Coking and refining	*63*	*43*	*0*	*0*	*0*
20 – C.20 – Chemical industry	*738*	*2*	*0*	*26*	*10*
21 – C.21 – Pharmaceutical industry	*371*	*-*	*-*	*51*	*5*
22 – C.22 – Manufacture of rubber products	*633*	*0*	*0*	*20*	*41*
23 – C.23 – Manufacture of other non-metallic mineral products	*573*	*-*	*4*	*26*	*27*
24 – C.24 – Metallurgy	*211*	*-*	*1*	*2*	*9*
25 – C.25 – Manufacture of fabricated metal products, except machinery and equipment	*1,198*	*-*	*1*	*80*	*112*
26 – C.26 – Manufacture of computer, electronic and optical products	*587*	*-*	*0*	*15*	*15*
27 – C.27 – Manufacture of electrical equipment	*295*	*1*	*1*	*14*	*12*
28 – C.28 – Manufacture of machinery and equipment n.e.c.	*889*	*-*	*4*	*41*	*28*
29 – C.29 – Motor industry	*489*	*-*	*6*	*14*	*37*
30 – C.30 – Manufacture of other transportation equipment	*466*	*-*	*16*	*7*	*60*
31 – C.31 – Manufacture of furniture	*168*	*-*	*-*	*10*	*31*
32 – C.32 – Other manufacturing industries	*454*	*-*	*0*	*13*	*17*

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)*)		GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations					
	Of which stage 2 exposures	Of which non-performing exposures		Of which category 3 emissions financed		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-1,928	-294	-1,430	-	-	-	41,327	20,620	32,757	7,679	8.3
-71	-9	-57	-	-	-	1,790	1,230	891	137	7.1
-6	-0	-2	-	-	-	320	187	21	8	5.8
-	-	-	-	-	-	-	-	-	-	-
-0	-	-	-	-	-	75	19	1	-	5.1
-	-	-	-	-	-	0	0	-	0	2.7
-5	-0	-2	-	-	-	166	115	20	7	6.5
-0	-0	-0	-	-	-	78	52	-	0	4.7
-317	-33	-259	-	-	-	8,658	1,818	523	611	4.1
-91	-9	-77	-	-	-	1,260	384	123	88	4.7
-8	-1	-6	-	-	-	660	77	20	19	2.9
-	-	-	-	-	-	0	-	-	-	2.9
-4	-0	-3	-	-	-	94	26	11	10	5.4
-9	-0	-8	-	-	-	69	7	13	12	6.6
-3	-0	-2	-	-	-	64	38	15	3	4.7
-11	-1	-9	-	-	-	244	106	22	37	5.7
-6	-0	-5	-	-	-	145	49	8	6	4.1
-10	-1	-9	-	-	-	173	34	12	20	5.6
-0	-0	-	-	-	-	14	49	-	0	5.4
-10	-3	-5	-	-	-	560	130	18	30	3.1
-8	-6	-1	-	-	-	314	40	11	6	2.4
-18	-0	-16	-	-	-	484	120	17	12	3.5
-15	-4	-10	-	-	-	409	104	22	38	4.2
-3	-0	-3	-	-	-	144	50	6	12	4.0
-43	-4	-36	-	-	-	924	203	31	40	4.2
-8	-0	-7	-	-	-	466	29	22	69	4.2
-3	-0	-2	-	-	-	252	23	11	9	3.0
-13	-1	-11	-	-	-	651	119	19	100	4.4
-8	-0	-7	-	-	-	402	64	7	17	2.7
-17	-0	-16	-	-	-	391	19	45	11	3.0
-9	-0	-8	-	-	-	102	40	16	10	5.4
-10	-0	-7	-	-	-	315	55	45	40	5.1

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/Sub-sector at 12/31/2023		**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**
33 – C.33 – Repair and installation of machinery and equipment	626	-	1	48	31
34 – D – Production and distribution of electricity, gas, steam and air conditioning	2,680	310	33	55	42
35 – D35.1 – Production, transmission and distribution of electricity	*2,341*	*257*	*31*	*46*	*41*
36 – D35.11 – Electricity production	*2,080*	*181*	*3*	*45*	*41*
37 – D35.2 – Manufacture of gas; distribution by pipeline of gaseous fuels	*303*	*53*	*0*	*10*	*1*
38 – D35.3 – Production and distribution of steam and air conditioning	*36*	*0*	*2*	*0*	*0*
39 – E – Water production and distribution; sanitation, waste management and decontamination	789	0	26	24	23
40 – F – Building and public works services	8,111	25	60	723	548
41 – F.41 – Construction of buildings	*2,661*	*0*	*9*	*265*	*246*
42 – F.42 – Civil engineering	*1,019*	*25*	*32*	*20*	*13*
43 – F.43 – Specialized construction work	*4,431*	*0*	*19*	*437*	*288*
44 – G – Wholesale and retail trade; automotive and motorcycle repair	12,712	10	7	981	782
45 – H – Transportation and warehousing	7,496	59	17	375	140
46 – H.49 – Land transportation and transportation via pipelines	*3,245*	*1*	*1*	*223*	*88*
47 – H.50 – Water transportation	*1,374*	*49*	*11*	*10*	*25*
48 – H.51 – Air transportation	*1,525*	-	*2*	*114*	*9*
49 – H.52 – Warehousing and support activities for transportation	*1,301*	*9*	*4*	*24*	*16*
50 – H.53 – Postal and courier activities	*51*	-	-	*3*	*1*
51 – I – Hospitality and catering	4,291	-	3	509	405
52 – L – Real estate activities	50,111	0	6	3,088	1,084
53 – Exposures to sectors other than those contributing significantly to climate change[1]	60,517	13	263	3,652	2,113
54 – K – Financial and insurance activities	13,333	6	41	616	482
55 – Exposures to other sectors (NACE codes J, M to U)	47,184	7	222	3,036	1,631
56 – TOTAL	**162,900**	**662**	**452**	**10,255**	**5,950**

(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 (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
-12	-1	-10				521	53	30	22	3.9
-21	-3	-13				774	549	1,172	184	9.1
-20	*-3*	*-13*				*647*	*484*	*1,028*	*182*	*9.4*
-19	*-3*	*-13*				*498*	*422*	*1,022*	*137*	*9.8*
-1	*-0*	*-0*				*106*	*62*	*133*	*2*	*7.3*
-0	*-0*	*-*				*21*	*4*	*12*	*0*	*4.7*
-13	-1	-11				507	174	85	23	5.1
-264	-29	-216				5,369	848	1,115	779	5.7
-122	*-9*	*-110*				*1,750*	*189*	*380*	*342*	*5.7*
-13	*-1*	*-6*				*577*	*218*	*165*	*59*	*5.1*
-130	*-19*	*-100*				*3,042*	*441*	*570*	*378*	*5.9*
-432	-36	-367				8,616	1,829	892	1,374	5.4
-71	-10	-47				4,860	1,549	815	272	4.9
-45	*-7*	*-32*				*2,379*	*531*	*206*	*129*	*4.6*
-8	*-1*	*-4*				*933*	*342*	*91*	*9*	*5.2*
-4	*-1*	*-1*				*772*	*477*	*275*	*1*	*4.1*
-13	*-1*	*-9*				*750*	*181*	*241*	*129*	*6.5*
-1	*-0*	*-1*				*27*	*18*	*3*	*4*	*5.7*
-187	-28	-140				2,008	1,263	797	224	6.7
-545	-145	-319				8,425	11,173	26,446	4,067	11.2
-1,150	-170	-910				28,649	10,590	11,357	9,920	7.8
-295	-30	-233				7,887	2,844	942	1,660	4.1
-855	-142	-658				20,762	7,746	10,415	8,260	8.9
-3,078	**-465**	**-2,321**				**69,976**	**31,210**	**44,115**	**17,599**	**8.1**

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/sub-sector at 12/31/2022		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
Exposures to sectors that contribute significantly to climate change[1]	**99,426**	**900**	**-**	**6,327**	**3,368**
2 – A – Agriculture, forestry and fishing	3,790	0	-	228	128
3 – B – Extractive industries	490	179	-	8	2
4 – B.05 – Coal and lignite extraction	*0*	*0*	-	*0*	*0*
5 – B.06 – Extraction of hydrocarbons	*93*	*89*	-	*0*	*0*
6 – B.07 – Extraction of metal ores	*3*	*0*	-	*0*	*0*
7 – B.08 – Other extractive industries	*151*	*0*	-	*7*	*1*
8 – B.09 – Support services to extractive industries	*243*	*90*	-	*0*	*0*
9 – C – Manufacturing industry	12,371	228	-	513	653
10 – C.10 – Food industries	1,396	0	-	139	82
11 – C.11 – Manufacture of beverages	*182*	*0*	-	*23*	*6*
12 – C.12 – Manufacture of tobacco products	*19*	*0*	-	*0*	*0*
13 – C.13 – Manufacture of textiles	*94*	*0*	-	*6*	*4*
14 – C.14 – Clothing industry	*115*	*0*	-	*12*	*14*
15 – C.15 – Leather and footwear industry	*80*	*0*	-	*3*	*10*
16 – C.16 – Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	*261*	*0*	-	*10*	*14*
17 – C.17 – Paper and cardboard industry	*154*	*0*	-	*8*	*6*
18 – C.18 – Printing and reproduction of recordings	*201*	*0*	-	*9*	*18*
19 – C.19 – Coking and refining	*237*	*209*	-	*0*	*0*
20 – C.20 – Chemical industry	*605*	*0*	-	*26*	*9*
21 – C.21 – Pharmaceutical industry	*246*	*0*	-	*3*	*1*
22 – C.22 – Manufacture of rubber products	*515*	*0*	-	*29*	*10*
23 – C.23 – Manufacture of other non-metallic mineral products	*493*	*0*	-	*12*	*10*
24 – C.24 – Metallurgy	*111*	*0*	-	*5*	*6*
25 – C.25 – Manufacture of fabricated metal products, except machinery and equipment	*871*	*1*	-	*65*	*62*
26 – C.26 – Manufacture of computer, electronic and optical products	*383*	*0*	-	*17*	*14*
27 – C.27 – Manufacture of electrical equipment	*210*	*19*	-	*13*	*11*
28 – C.28 – Manufacture of machinery and equipment n.e.c.	*574*	*0*	-	*18*	*32*
29 – C.29 – Motor industry	*528*	*0*	-	*12*	*15*
30 – C.30 – Manufacture of other transportation equipment	*227*	*0*	-	*56*	*17*
31 – C.31 – Manufacture of furniture	*117*	*0*	-	*10*	*10*
32 – C.32 – Other manufacturing industries	*4,335*	*0*	-	*11*	*279*

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)*)		GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations					
	Of which stage 2 exposures	Of which non-performing exposures		Of which category 3 emissions financed		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-1,796	**-316**	**-1,301**	**-**	**-**	**-**	**30,671**	**40,222**	**24,782**	**3,751**	**10.9**
-78	-15	-55	-	-	-	895	2,225	578	92	8.1
-1	0	-1	-	-	-	175	304	5	6	5.6
0	*0*	*0*	-	-	-	*0*	*0*	*0*	*0*	*0.0*
0	*0*	*0*	-	-	-	*32*	*61*	*0*	*0*	*5.1*
0	*0*	*0*	-	-	-	*3*	*0*	*0*	*0*	*3.5*
-1	*0*	*-1*	-	-	-	*79*	*62*	*5*	*5*	*5.4*
0	*0*	*0*	-	-	-	*61*	*181*	*0*	*1*	*5.8*
-276	-19	-232	-	-	-	5,992	5,322	382	675	5.8
-85	-9	-72	-	-	-	654	361	85	296	8.3
-7	*-1*	*-5*	-	-	-	*107*	*48*	*16*	*11*	*7.4*
0	*0*	*0*	-	-	-	*19*	*0*	*0*	*0*	*2.2*
-3	*0*	*-3*	-	-	-	*51*	*26*	*8*	*9*	*6.2*
-11	*0*	*-11*	-	-	-	*90*	*7*	*8*	*10*	*6.2*
-2	*0*	*-2*	-	-	-	*59*	*9*	*9*	*2*	*5.1*
-11	*-1*	*-10*	-	-	-	*176*	*49*	*21*	*15*	*5.4*
-6	*0*	*-5*	-	-	-	*110*	*24*	*5*	*14*	*3.6*
-9	*0*	*-9*	-	-	-	*125*	*53*	*9*	*14*	*5.7*
0	*0*	*0*	-	-	-	*175*	*62*	*0*	*0*	*1.9*
-6	*0*	*-4*	-	-	-	*494*	*90*	*6*	*15*	*4.1*
-1	*0*	*0*	-	-	-	*211*	*33*	*1*	*2*	*3.5*
-8	*-1*	*-6*	-	-	-	*397*	*84*	*19*	*16*	*4.6*
-7	*0*	*-5*	-	-	-	*361*	*66*	*18*	*48*	*6.3*
-3	*0*	*-3*	-	-	-	*80*	*28*	*2*	*2*	*4.9*
-43	*-2*	*-38*	-	-	-	*633*	*171*	*35*	*32*	*4.7*
-5	*0*	*-5*	-	-	-	*355*	*19*	*4*	*6*	*4.6*
-3	*0*	*-2*	-	-	-	*159*	*26*	*11*	*14*	*6.0*
-13	*0*	*-11*	-	-	-	*364*	*112*	*9*	*89*	*7.4*
-6	*0*	*-5*	-	-	-	*465*	*47*	*5*	*12*	*2.4*
-16	*-2*	*-14*	-	-	-	*150*	*21*	*48*	*8*	*6.0*
-6	*0*	*-6*	-	-	-	*53*	*45*	*11*	*8*	*6.7*
-14	*-1*	*-11*	-	-	-	*352*	*3,915*	*28*	*39*	*5.7*

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	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/sub-sector at 12/31/2022		**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**
33 – C.33 – Repair and installation of machinery and equipment	**416**	**0**	**-**	**27**	**23**
34 – D – Production and distribution of electricity, gas, steam and air conditioning	2,456	421	-	78	35
35 – D35.1 – Production, transmission and distribution of electricity	*1,920*	*339*	-	*78*	*33*
36 – D35.11 – Electricity production	*1,763*	*339*	-	*78*	*32*
37 – D35.2 – Manufacture of gas; distribution by pipeline of gaseous fuels	*511*	*82*	-	*1*	*3*
38 – D35.3 – Production and distribution of steam and air conditioning	*25*	*0*	-	*0*	*0*
39 – E – Water production and distribution; sanitation, waste management and decontamination	753	0	-	23	17
40 – F – Building and public works services	8,605	25	-	492	387
41 – F.41 – Construction of buildings	*1,870*	*0*	-	*89*	*98*
42 – F.42 – Civil engineering	*3,435*	*25*	-	*22*	*107*
43 – F.43 – Specialized construction work	*3,300*	*0*	-	*381*	*182*
44 – G – Wholesale and retail trade; automotive and motorcycle repair	12,900	12	-	781	730
45 – H – Transportation and warehousing	6,767	35	-	444	173
46 – H.49 – Land transportation and transportation via pipelines	*2,365*	*0*	-	*187*	*62*
47 – H.50 – Water transportation	*1,230*	*25*	-	*105*	*4*
48 – H.51 – Air transportation	*1,201*	*0*	-	*118*	*33*
49 – H.52 – Warehousing and support activities for transportation	*1,834*	*9*	-	*34*	*73*
50 – H.53 – Postal and courier activities	*138*	*0*	-	*1*	*1*
51 – I – Hospitality and catering	4,253	0	-	550	359
52 – L – Real estate activities	47,041	0	-	3,210	883
53 – Exposures to sectors other than those contributing significantly to climate change[1]	**58,058**	**23**	**-**	**6,390**	**1,573**
54 – K – Financial and insurance activities	11,537	0	-	716	279
55 – Exposures to other sectors (NACE codes J, M to U)	46,521	23	-	5,673	1,294
56 – TOTAL	**157,484**	**923**	**-**	**12,717**	**4,941**

(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 (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
-11	**-1**	**-10**	**-**	**-**	**-**	**355**	**26**	**24**	**11**	**4.8**
-23	-7	-11	-	-	-	554	721	985	196	9.4
-21	*-7*	*-11*	-	-	-	*399*	*443*	*884*	*194*	*10.3*
-21	*-7*	*-11*	-	-	-	*335*	*380*	*880*	*168*	*9.4*
-1	*0*	*0*	-	-	-	*148*	*275*	*86*	*2*	*10.4*
0	*0*	*0*	-	-	-	*7*	*3*	*16*	*0*	*8.5*
-11	-1	-9	-	-	-	308	345	77	24	5.7
-210	-23	-166	-	-	-	4,485	2,863	790	467	6.4
-82	*-6*	*-70*	-	-	-	*1,321*	*167*	*279*	*103*	*7.2*
-14	*-1*	*-5*	-	-	-	*877*	*2,365*	*90*	*103*	*4.8*
-114	*-16*	*-90*	-	-	-	*2,287*	*332*	*420*	*261*	*6.2*
-398	-33	-341	-	-	-	5,472	5,966	644	818	6.3
-78	-16	-47	-	-	-	3,872	2,169	586	140	6.6
-44	*-7*	*-30*	-	-	-	*1,706*	*403*	*185*	*70*	*4.8*
-11	*-3*	*-3*	-	-	-	*871*	*286*	*71*	*2*	*5.3*
-5	*-3*	*-1*	-	-	-	*658*	*360*	*181*	*1*	*5.3*
-19	*-3*	*-13*	-	-	-	*521*	*1,101*	*147*	*66*	*7.9*
0	*0*	*0*	-	-	-	*115*	*19*	*1*	*2*	*2.5*
-172	-31	-127	-	-	-	1,847	1,833	492	82	6.4
-551	-171	-312	-	-	-	7,071	18,474	20,244	1,252	11.3
-968	**-213**	**-634**	**-**	**-**	**-**	**19,038**	**22,317**	**8,772**	**7,931**	**12.7**
-221	-30	-150	-	-	-	4,888	5,011	888	750	6.1
-748	-182	-483	-	-	-	14,150	17,306	7,884	7,181	13.2
-2,764	**-528**	**-1,934**	**-**	**-**	**-**	**49,709**	**62,540**	**33,553**	**11,682**	**11.1**

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 75 – MODEL 2: BANKING BOOK – INDICATORS OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: LOANS SECURED BY REAL ESTATE PROPERTY - ENERGY EFFICIENCY OF THE 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	94,490	11,587	28,368	29,892	12,041	5,084	5,114
2 – Of which secured by commercial real estate property	22,455	3,531	4,888	6,057	3,562	1,690	1,644
3 – Of which secured by residential real estate property	72,030	8,056	23,480	23,835	8,479	3,394	3,471
4 – Of which collateral obtained by seizure: residential and commercial real estate property	4	-	-	-	-	-	-
5 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	77,732	10,242	23,509	25,306	10,175	3,835	4,666
6 – Non-EU total	6,577	83	141	164	121	42	52
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	3,593	70	74	98	66	34	42
9 – Of which collateral obtained by seizure: residential and commercial real estate property	-	-	-	-	-	-	-
10 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	603	83	140	164	121	42	52

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**	
								Of which estimated energy efficiency level *(energy performance in kWh/m² of collateral)*
A	B	C	D	E	F	G		
757	1,472	7,748	17,630	8,967	2,943	2,252	52,720	95%
55	92	477	865	659	277	322	19,710	95%
702	1,380	7,271	16,765	8,308	2,667	1,931	33,006	96%
-	-	-	-	-	-	-	4	0%
							49,206	100%
-	-	-	0	-	-	-	6,577	9%
-	-	-	-	-	-	-	2,984	7%
-	-	-	0	-	-	-	3,593	11%
-	-	-	-	-	-	-	-	0%
							603	100%

5

	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	**90,506**	**3,835**	**39,317**	**17,541**	**6,961**	**594**	**4,157**
2 – Of which secured by commercial real estate property	21,346	865	9,376	4,127	1,902	115	1,303
3 – Of which secured by residential real estate property	69,155	2,970	29,941	13,414	5,059	479	2,854
4 – Of which collateral obtained by seizure: residential and commercial real estate property	5	0	0	0	0	0	0
5 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	59,658	2,812	34,776	13,118	5,233	0	3,720
6 – Non-EU total	**6,097**	**0**	**0**	**0**	**0**	**0**	**0**
7 – Of which secured by commercial real estate property	2,649	0	0	0	0	0	0
8 – Of which secured by residential real estate property	3,448	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)*
476	**964**	**5,719**	**13,023**	**7,079**	**2,358**	**1,792**	**59,095**	**69%**
46	59	414	724	588	246	296	18,973	81%
429	905	5,306	12,299	6,491	2,112	1,496	40,117	63%
0	0	0	0	0	0	0	5	0%
-	-	-	-	-	-	-	40,508	100%
0	**0**	**0**	**0**	**0**	**0**	**0**	**6,097**	**0%**
0	0	0	0	0	0	0	2,649	0%
0	0	0	0	0	0	0	3,448	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.

5.18.6.1.4 Model 4: Exposures on the 20 largest carbon-intensive companies

TABLE 76 – 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

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**
90	0.02%	1	3	3

(1) For counterparties among the 20 companies that emit the most carbon in the world.

At 12/31/2022

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
310	0.07%	-	2.4	3

(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 77 – 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	4,048	90	52	36	10	7
2 – B – Extractive industries	535	14	2	2	0	4
3 – C – Manufacturing industry	11,610	423	136	42	24	5
4 – D – Production and distribution of electricity, gas, steam and air conditioning	2,680	7	7	20	0	11
5 – E – Water production and distribution; sanitation, waste management and decontamination	789	19	4	1	0	4
6 – F – Building and public works services	8,111	364	44	99	44	6
7 – G – Wholesale and retail trade; automotive and motorcycle repair	12,712	517	182	62	129	7
8 – H – Transportation and warehousing	7,496	136	45	26	5	6
9 – L – Real estate activities	50,111	392	662	1,703	115	11
10 – Of which secured by residential real estate property	75,624	345	952	3,986	2,137	16
11 – Of which secured by commercial real estate property	25,439	194	400	859	19	11
12 – Collateral seized	4	0	0	0	0	0
13 – Other relevant sectors (breakdown below, if applicable)	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**
93	94	0	15	8	-4	-0	-4
15	3	0	1	0	-0	-0	0
496	129	0	46	41	-22	-1	-20
13	22	0	2	0	-0	-0	-0
12	13	0	1	0	-0	-0	-0
381	171	0	51	32	-12	-1	-11
512	379	0	57	49	-20	-2	-18
129	82	0	21	12	-3	-0	-2
1,937	934	0	168	50	-22	-4	-18
5,521	1,900	0	497	69	-23	-2	-21
936	536	0	80	34	-16	-2	-13
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

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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	3,790	41	38	29	9	8.8
2 – B – Extractive industries	490	7	3	2	0	6.3
3 – C – Manufacturing industry	12,371	338	83	36	25	5.2
4 – D – Production and distribution of electricity, gas, steam and air conditioning	2,456	5	14	23	0	12.3
5 – E – Water production and distribution; sanitation, waste management and decontamination	753	13	3	1	0	4.5
6 – F – Building and public works services	8,605	220	34	76	30	7.2
7 – G – Wholesale and retail trade; automotive and motorcycle repair	12,900	299	120	54	49	6.8
8 – H – Transportation and warehousing	6,767	105	33	28	4	6.4
9 – L – Real estate activities	47,041	230	490	1,302	67	11.7
10 – Of which secured by residential real estate property	72,602	166	587	2,451	1,259	10.6
11 – Of which secured by commercial real estate property	23,995	144	302	623	10	16.1
12 – Collateral seized	5	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
73	45	0	9	8	-5	-1	-4
11	2	0	0	0	0	0	0
344	138	0	25	24	-20	-1	-18
23	19	0	2	0	0	0	0
8	8	0	0	0	0	0	0
248	113	0	49	15	-14	-3	-11
331	191	0	36	29	-20	-2	-17
95	75	0	15	8	-4	-1	-3
1,421	668	0	180	46	-36	-11	-21
3,369	1,094	0	2,571	376	-28	-11	-15
702	377	0	87	24	-22	-6	-13
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.

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5.18.6.3 Mitigation measures

5.18.6.3.1 Model 6: Summary of taxonomy-aligned key performance indicators

TABLE 78 - MODEL 6: SUMMARY OF KPIS OF TAXONOMY-ALIGNED EXPOSURES

	KPI			
	Climate change mitigation	Climate change adaptation	Total (climate change mitigation + climate change adaptation)	% coverage (in relation to total assets)[1]
GAR Outstandings	3.6%	0.0%	3.7%	77.1%
GAR Flows	0.6%	0.0%	0.6%	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 these loans are 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.

5.18.6.3.2 Model 7: Assets used to calculate the Green asset ratio (GAR)

TABLE 79 – 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	101,787	78,663	11,717	0	8	331
2 – Non-financial corporations	**6,789**	**235**	**23**	**0**	**1**	**17**
3 – Credit institutions	2,320	5	0	0	0	0
4 – Loans and advances	1,424	5	0	0	0	0
5 – Debt securities, including specific use of proceeds (UoP)	896	0	0	0	0	0
6 – Equity instruments	0	0	0		0	0
7 – Other financial corporations	4,469	229	23	0	1	17
8 – of which investment firms	3	0	0	0	0	0
9 – Loans and advances	3	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	126	0	0	0	0	0
13 – Loans and advances	126	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	1,460	113	14	0	1	8
17 – Loans and advances	10	0	0	0	0	0
18 – Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
19 – Equity instruments	1,450	113	14		1	8

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
176	76	0	0	76	78,839	11,793	0	8	407
159	**76**	**0**	**0**	**76**	**393**	**99**	**0**	**1**	**93**
0	0	0	0	0	5	0	0	0	0
0	0	0	0	0	5	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
159	76	0	0	76	388	99	0	1	93
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
159	76	0	0	76	272	90	0	1	83
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
159	76		0	76	272	90		1	83

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	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
20 – Non-financial corporations (subject to NFRD disclosure requirements)	**11,813**	**2,151**	**452**	**0**	**7**	**314**
21 – Loans and advances	11,660	2,151	452	0	7	314
22 – Debt securities, including specific use of proceeds (UoP)	139	0	0	0	0	0
23 – Equity instruments	14	0	0		0	0
24 – Households	**82,900**	**76,275**	**11,242**	**0**	**0**	**0**
25 – of which secured by residential real estate property	75,624	75,624	11,242	0	0	0
26 – of which loans for building renovation	439	439	0	0	0	0
27 – of which motor vehicle loans	1,163	213	0	0	0	0
28 – Financing of local governments	280	2	0	0	0	0
29 – Residential financing	2	2	0	0	0	0
30 – Other local government financing	278	0	0	0	0	0
31 – Collateral obtained by seizure: residential and commercial real estate property	4	0	0	0	0	0
32 - TOTAL GAR ASSETS	**101,787**	**78,663**	**11,717**	**0**	**8**	**331**

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
17	**0**	**0**	**0**	**0**	**2,168**	**453**	**0**	**7**	**315**
17	0	0	0	0	2,168	453	0	7	315
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
-	**-**	**-**	**-**	**-**	**76,275**	**11,242**	**0**	**0**	**0**
-	-	-	-	-	75,624	11,242	0	0	0
-	-	-	-	-	439	0	0	0	0
-	-	-	-	-	213	0	0	0	0
0	0	0	0	0	2	0	0	0	0
0	0	0	0	0	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
176	**76**	**0**	**0**	**76**	**78,839**	**11,793**	**0**	**8**	**407**

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12/31/2023 *(in € millions)*	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)			
	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)	**176,756**	**-**	**-**	**-**	**-**	**-**
34 – Loans and advances	164,018	-	-	-	-	-
35 – Debt securities	8,160	-	-	-	-	-
36 – Equity instruments	4,578	-	-	-	-	-
37 – Non-financial non-EU corporations (not subject to NFRD disclosure requirements)	**22,200**	**-**	**-**	**-**	**-**	**-**
38 – Loans and advances	18,410	-	-	-	-	-
39 – Debt securities	3,496	-	-	-	-	-
40 – Equity instruments	294	-	-	-	-	-
41 – Derivatives	1,907	-	-	-	-	-
42 – Interbank demand loans	8,095	-	-	-	-	-
43 – Cash and cash equivalents	292	-	-	-	-	-
44 – Other assets (goodwill, commodities, etc.)	11,185	-	-	-	-	-
45 – TOTAL ASSETS IN THE DENOMINATOR (GAR)	**322,223**	**-**	**-**	**-**	**-**	**-**
OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND THE DENOMINATOR FOR THE GAR CALCULATION						
46 – Sovereigns	23,056	-	-	-	-	-
47 – Exposures to central banks	46,982	-	-	-	-	-
48 – Trading book	25,937	-	-	-	-	-
49 – TOTAL ASSETS EXCLUDED FROM THE NUMERATOR AND THE DENOMINATOR	**95,975**	-	-	-	-	-
50 – TOTAL ASSETS	**418,198**	-	-	-	-	-

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
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

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5.18.6.3.3 Model 8: Green Asset Ratio (%)

TABLE 80 - MODEL 8: GAR (%)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	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
1 - GAR	**24%**	**4%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**24%**	**4%**	**0%**	**0%**	**0%**
2 - Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for calculation of the GAR	77%	12%	0%	0%	0%	0%	0%	0%	0%	0%	77%	12%	0%	0%	0%
3 - Financial corporations	3%	0%	0%	0%	0%	2%	1%	0%	0%	1%	6%	1%	0%	0%	1%
4 - Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5 - Other financial corporations	5%	1%	0%	0%	0%	4%	2%	0%	0%	2%	9%	2%	0%	0%	2%
6 - of which investment firms	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%
8 - of which insurance companies	8%	1%	0%	0%	1%	11%	5%	0%	0%	5%	19%	6%	0%	0%	6%
9 - Non-financial corporations subject to the NFRD disclosure requirements	18%	4%	0%	0%	3%	0%	0%	0%	0%	0%	18%	4%	0%	0%	3%
10 - Households	92%	14%	0%	0%	0%						92%	14%	0%	0%	0%
11 - of which loans secured by residential real estate property	100%	15%	0%	0%	0%						100%	15%	0%	0%	0%
12 - of which loans for building renovation	100%	0%	0%	0%	0%						100%	0%	0%	0%	0%
13 - of which motor vehicle loans	18%	0%	0%	0%	0%						18%	0%	0%	0%	0%
14 - Financing of local governments	1%	0%	0%	0%	0%						1%	0%	0%	0%	0%
15 - Residential financing	100%	0%	0%	0%	0%						100%	0%	0%	0%	0%
16 - Other local government financing	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%	0%	0%	0%	0%

p	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				
Share of total assets covered			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 of new assets covered
77%	**14%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**14%**	**1%**	**0%**	**0%**	**0%**	**100%**
19%	56%	2%	0%	0%	1%	0%	0%	0%	0%	0%	56%	2%	0%	0%	1%	26%
0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	4%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
0%	6%	1%	0%	0%	1%	0%	0%	0%	0%	0%	6%	1%	0%	0%	1%	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%
1%	21%	6%	0%	0%	5%	0%	0%	0%	0%	0%	22%	6%	0%	0%	5%	5%
18%	81%	2%	0%	0%	0%	-	-	-	-	-	81%	2%	0%	0%	0%	16%
18%	100%	2%	0%	0%	0%	-	-	-	-	-	100%	2%	0%	0%	0%	13%
0%	100%	0%	0%	0%	0%	-	-	-	-	-	100%	0%	0%	0%	0%	0%
0%	22%	0%	0%	0%	0%	-	-	-	-	-	22%	0%	0%	0%	0%	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%

5.18.6.3.4 Model 10: Other mitigation actions

TABLE 81 – 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	356	Yes	No	See (1) below
	2 – Non-financial corporations	251	Yes	No	
	3 – of which secured by commercial real estate property	-	Yes	No	
	4 – Other counterparties	50	Yes	No	
Loans (*e.g.* green, sustainable, sustainability-linked under non-EU standards)	5 – Financial corporations	2,303	Yes	No	See (2), (3), (4) and (5) below
	6 – Non-financial corporations	3,174	Yes	No	
	7 – of which secured by commercial real estate property	170	Yes	No	
	8 – Households	1,323	Yes	No	
	9 – of which secured by residential real estate property	1,323	Yes	No	
	10 – of which loans for building renovation	0	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	355	Yes	-	see comments below
	2 – Non-financial corporations	148	Yes	-	see comments below
	3 – of which secured by commercial real estate property	0	-	-	-
	4 – Other counterparties	27	Yes	-	see comments below
Loans (*e.g.* green, sustainable, sustainability-linked under non-EU standards)	5 – Financial corporations	2,075	Yes	-	see comments below
	6 – Non-financial corporations	2,008	Yes	-	see comments below
	7 – of which secured by commercial real estate property	0	-	-	-
	8 – Households	272	Yes	-	see comments below
	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			
THÉRY Nicolas	Chairman of the Board Directors	18 non-executive offices	2 non-executive offices
ALLONAS-BARTHE Catherine	Permanent representative of Banque Fédérative de Crédit Mutuel, Director	3 non-executive offices	1 non-executive office
CORMORECHE Gérard	Director	16 non-executive offices	
KOPP Régine	Director	5 non-executive offices	1 executive office
LAMBLIN-MESSIEN Catherine	Director	8 non-executive offices	2 executive offices
CHEVELARD Isabelle	Director	3 non-executive offices 7 executive offices	1 non-executive office
HAFIDHOU Raïssa	Director representing employees	2 non-executive offices	
LEGER Philippe	Director representing employees	1 non-executive office	
EFFECTIVE MANAGEMENT			
BAAL Daniel	Chief Executive Officer – effective manager	5 executive offices 7 non-executive offices	
CHARPENTIER Éric	Deputy Chief Executive Officer – effective manager	3 executive offices 10 non-executive offices	2 non-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% women managers in France, 45% women Chief Executive Officers in the network banks and 38% women 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 non-voting directors of Caisse Fédérale du Crédit Mutuel, non-voting directors of Banque Fédérative du Crédit Mutuel, non-voting directors 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, non-voting directors of BECM or directors of the federations in the 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 Chairwoman 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 the 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 finance.

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 is made up of various elements:

- fixed compensation;
- annual variable compensation;
- collective compensation in the form of incentives and profit-sharing and shareholding in France;
- the supplementary pension plan and health insurance plan;
- 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 of 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;

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- 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 the 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 comprehensibility 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 with regard the extension to the retention period from six months to one year for the deferred payment to 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 employees concerned 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, capital allocation 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 of 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 82: SUMMARY OF COMPENSATION AWARDED DURING THE FISCAL YEAR (EU REM1)

(in euros) At 12/31/2023		Management: Management body – Supervisory function	Management: 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)**	**81**	**77**	**78**	**212**
	Total fixed compensation	**€3,322,219**	**€26,220,119**	**€19,104,109**	**€43,238,956**
	Of which: compensation in cash	€3,190,648	€24,094,502	€17,122,879	€38,949,495
	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	€131,570	€2,125,618	€1,981,230	€4,289,462
Variable compensation awarded during the year	**Number of members of the identified population (who received variable compensation)**	**0**	**39**	**30**	**107**
	Total variable compensation	**€0**	**€5,195,042**	**€6,239,776**	**€16,853,944**
	Of which: compensation in cash	€0	€2,896,282	€3,372,947	€9,144,672
	Of which: deferred compensation included in this compensation in cash	€0	€1,162,227	€1,463,490	€3,964,884
	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	€2,298,760	€2,866,830	€7,709,272
	Of which: deferred compensation included in this compensation in instruments linked to shares and other equivalent non-cash instruments	€0	€1,162,235	€1,463,492	€3,900,390
	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	**€3,322,219**	**€31,415,161**	**€25,343,885**	**€60,092,901**

TABLE 83: 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**	**0**	**1**	**0**	**0**
	Total amount	**€0**	**€195,000**	**€631,061**	**€105,000**
	Of which paid during the fiscal year	€0	€195,000	€631,061	€105,000
	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	€105,000

TABLE 84: 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	€0	€0	€0	€0	€0	€0	€0	€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	€0	€0
Other types	€0	€0	€0	€0	€0	€0	€0	€0
MANAGEMENT BODY – MANAGEMENT FUNCTION	**€6,586,575**	**€1,416,265**	**€5,170,310**	**€0**	**€0**	**€0**	**€1,398,319**	**€0**
Cash	€2,503,556	€878,228	€1,625,328	€0	€0	€0	€702,736	€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	€4,083,019	€538,037	€3,544,982	€0	€0	€0	€695,583	€0
Other types	€0	€0	€0	€0	€0	€0	€0	€0
OTHER EXECUTIVE MANAGEMENT MEMBERS	**€4,631,369**	**€1,398,319**	**€3,233,050**	**€0**	**€0**	**€0**	**€1,510,367**	**€0**
Cash	€2,371,620	€702,736	€1,668,884	€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	€2,259,749	€695,583	€1,564,167	€0	€0	€0	€728,240	€0
Other types	€0	€0	€0	€0	€0	€0	€0	€0
OTHER MEMBERS OF THE IDENTIFIED POPULATION	**€11,656,779**	**€4,069,690**	**€7,587,089**	**€0**	**€0**	**€0**	**€3,986,194**	**€0**
Cash	€6,199,606	€2,401,065	€3,798,541	€0	€0	€0	€2,354,023	€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	€5,457,173	€1,668,625	€3,788,548	€0	€0	€0	€1,632,170	€0
Other types	€0	-	-	€0	€0	€0	€0	€0
TOTAL	**€22,874,723**	**€6,884,274**	**€15,990,449**	**€0**	**€0**	**€0**	**€6,894,880**	**€0**

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TABLE 85: 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	6
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 86: BREAKDOWN OF THE IDENTIFIED POPULATION BY AREA OF ACTIVITY (EU REM5)

(in euros)	Management			Area of activity					
At 12/31/2023	**Mana-gement body – Supervisory function**	**Mana-gement body – Manage-ment function**	**Mana-gement 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					**448**				
Including members of management body	81	77	158						
Including members of Executive Management				16	42	4	0	16	0
Including other members of the identified population				87	48	1	43	32	1
TOTAL COMPENSATION OF THE IDENTIFIED POPULATION	**€3,322,219**	**€31,415,161**	**€34,737,380**	**€46,577,735**	**€18,987,407**	**€1,461,527**	**€8,741,048**	**€9,565,713**	**€103,356**
Of which variable compensation	€0	€5,195,042	€5,195,042	€18,914,778	€1,820,019	€432,500	€1,171,649	€754,776	€0
Of which fixed compensation	€3,322,219	€26,220,119	€29,542,338	€27,662,958	€17,167,388	€1,029,027	€7,569,399	€8,810,938	€103,356

APPENDICES

Qualitative information on capital instruments

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	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual 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)	€18.96m	€7.25m
9	Nominal value of the instrument	€19.15m	€7.25m
9a	Issue price	€18.96m	€7.25m
9b	Redemption amount	€19.15m	€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

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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**Crédit Industriel et Commercial**	**Crédit Industriel et Commercial**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€248.69m	€420.00m
9	Nominal value of the instrument	€414.48m	€700.00m
9a	Issue price	€414.48m	€700.00m
9b	Redemption amount	€414.48m	€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	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	EURIBOR 3 months +2.05%	EURIBOR 3 months +1.7%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

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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)	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€72.80m	€122.40m
9	Nominal value of the instrument	€91.00m	€153.00m
9a	Issue price	€91.00m	€153.00m
9b	Redemption amount	€91.00m	€153.00m
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 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	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	EURIBOR 3 months +1.97%	EURIBOR 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a		n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	Crédit Industriel et Commercial	Crédit Industriel et Commercial
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€54.00m	€1,000.00m
9	Nominal value of the instrument	€54.00m	€1,000.00m
9a	Issue price	€54.00m	€1,000.00m
9b	Redemption amount	€54.00m	€1,000.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	12/16/2022
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	12/16/2032
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	■ 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	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	EURIBOR 3 months +1.55%	EURIBOR 3 months +2.00%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)		n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**CIC (Suisse)**	**CIC (Suisse)**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC (Suisse) and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC (Suisse) and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€1.40m	€6.00m
9	Nominal value of the instrument	€7.00m	€15.00m
9a	Issue price	€7.00m	€15.00m
9b	Redemption amount	€7.00m	€15.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	07/01/2014	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 (tax 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 events (tax 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	CIC (Suisse)	CIC (Suisse)
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.645%	EURIBOR 3 months +2.15%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**CIC (Suisse)**	**CIC (Suisse)**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC (Suisse) and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC (Suisse) and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€6.91m	€2.40m
9	Nominal value of the instrument	€11.52m	€3.00m
9a	Issue price	€11.52m	€3.00m
9b	Redemption amount	€11.52m	€3.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
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 option for the entire issue in the event of tax events (tax 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 events (tax 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	CIC (Suisse)	CIC (Suisse)
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +2.05%	EURIBOR 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC (Suisse)	CIC Sud Ouest
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC (Suisse) and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€60.00m	€22.40m
9	Nominal value of the instrument	€60.00m	€37.33m
9a	Issue price	€60.00m	€37.33m
9b	Redemption amount	€60.00m	€37.33m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	12/20/2021	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	12/31/2031	03/24/2026
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 events (tax 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	CIC (Suisse)	CIC Sud Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.15%	EURIBOR 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**CIC Sud Ouest**	**CIC Sud Ouest**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€8.00m	€14.40m
9	Nominal value of the instrument	€10.00m	€18.00m
9a	Issue price	€10.00m	€18.00m
9b	Redemption amount	€10.00m	€18.00m
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 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	CIC Sud Ouest	CIC Sud Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.97%	EURIBOR 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Sud Ouest	CIC Lyonnaise de Banque
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€11.00m	€48.58m
9	Nominal value of the instrument	€11.00m	€80.97m
9a	Issue price	€11.00m	€80.97m
9b	Redemption amount	€11.00m	€80.97m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
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	CIC Sud Ouest	CIC Lyonnaise de Banque
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.55%	EURIBOR 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**CIC Lyonnaise de Banque**	**CIC Lyonnaise de Banque**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€14.40m	€28.80m
9	Nominal value of the instrument	€18.00m	€36.00m
9a	Issue price	€18.00m	€36.00m
9b	Redemption amount	€18.00m	€36.00m
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 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	CIC Lyonnaise de Banque	CIC Lyonnaise de Banque
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.97%	EURIBOR 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Lyonnaise de Banque	Crédit Mutuel Real Estate Lease
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€21.00m	€10.86m
9	Nominal value of the instrument	€21.00m	€18.11m
9a	Issue price	€21.00m	€18.11m
9b	Redemption amount	€21.00m	€18.11m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
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	CIC Lyonnaise de Banque	Crédit Mutuel Real Estate Lease
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.55%	EURIBOR 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	Crédit Mutuel Real Estate Lease	Crédit Mutuel Real Estate Lease
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€3.20m	€5.60m
9	Nominal value of the instrument	€4.00m	€7.00m
9a	Issue price	€4.00m	€7.00m
9b	Redemption amount	€4.00m	€7.00m
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 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	Crédit Mutuel Real Estate Lease	Crédit Mutuel Real Estate Lease
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.97%	EURIBOR 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**Crédit Mutuel Real Estate Lease**	**Crédit Mutuel Factoring**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€4.00m	€10.66m
9	Nominal value of the instrument	€4.00m	€17.77m
9a	Issue price	€4.00m	€17.77m
9b	Redemption amount	€4.00m	€17.77m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
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	Crédit Mutuel Real Estate Lease	Crédit Mutuel Factoring
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.55%	EURIBOR 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**Crédit Mutuel Factoring**	**Crédit Mutuel Factoring**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€3.20m	€4.80m
9	Nominal value of the instrument	€4.00m	€6.00m
9a	Issue price	€4.00m	€6.00m
9b	Redemption amount	€4.00m	€6.00m
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 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	Crédit Mutuel Factoring	Crédit Mutuel Factoring
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.97%	EURIBOR 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**Crédit Mutuel Factoring**	**Crédit Mutuel Leasing**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Leasing and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€5.00m	€5.42m
9	Nominal value of the instrument	€5.00m	€9.04m
9a	Issue price	€5.00m	€9.04m
9b	Redemption amount	€5.00m	€9.04m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
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	Crédit Mutuel Factoring	Crédit Mutuel Leasing
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.55%	EURIBOR 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a		n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	Crédit Mutuel Leasing	Crédit Mutuel Leasing
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Leasing and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Leasing and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€2.40m	€3.00m
9	Nominal value of the instrument	€3.00m	€3.00m
9a	Issue price	€3.00m	€3.00m
9b	Redemption amount	€3.00m	€3.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	05/25/2018
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	05/25/2028
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	Crédit Mutuel Leasing	Crédit Mutuel Leasing
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.97%	EURIBOR 3 months +1.55%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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**	**CIC Nord Ouest**	**CIC Nord Ouest**
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€23.01m	€8.00m
9	Nominal value of the instrument	€38.34m	€10.00m
9a	Issue price	€38.34m	€10.00m
9b	Redemption amount	€38.34m	€10.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
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 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	CIC Nord Ouest	CIC Nord Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +2.05%	EURIBOR 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Nord Ouest	CIC Nord Ouest
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€15.20m	€12.00m
9	Nominal value of the instrument	€19.00m	€12.00m
9a	Issue price	€19.00m	€12.00m
9b	Redemption amount	€19.00m	€12.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/15/2017	05/25/2018
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	11/15/2027	05/25/2028
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	CIC Nord Ouest	CIC Nord Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.02%	EURIBOR 3 months +1.55%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Ouest	CIC Ouest
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€30.35m	€9.60m
9	Nominal value of the instrument	€50.58m	€12.00m
9a	Issue price	€50.58m	€12.00m
9b	Redemption amount	€50.58m	€12.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
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 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	CIC Ouest	CIC Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +2.05%	EURIBOR 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Ouest	CIC Ouest
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€16.80m	€12.00m
9	Nominal value of the instrument	€21.00m	€12.00m
9a	Issue price	€21.00m	€12.00m
9b	Redemption amount	€21.00m	€12.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/15/2017	05/25/2018
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	11/15/2027	05/25/2028
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	CIC Ouest	CIC Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.02%	EURIBOR 3 months +1.55%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Est	CIC Est
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-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)	€35.24m	€10.40m
9	Nominal value of the instrument	€58.73m	€13.00m
9a	Issue price	€58.73m	€13.00m
9b	Redemption amount	€58.73m	€13.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
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 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	CIC Est	CIC Est
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +2.05%	EURIBOR 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a
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)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
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	CIC Est	CIC Est	Banque Transatlantique
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Banque Transatlantique and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French	French
REGULATORY TREATMENT				
4	CRR transitional rules	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated	Individual and sub-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	■ Subordinated notes ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€20.00m	€14.00m	€2.23m
9	Nominal value of the instrument	€25.00m	€14.00m	€3.71m
9a	Issue price	€25.00m	€14.00m	€3.71m
9b	Redemption amount	€25.00m	€14.00m	€3.71m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/15/2017	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term	Fixed term
13	Initial maturity	11/15/2027	05/25/2028	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	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	■ 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	n/a

MAIN FEATURES OF CAPITAL INSTRUMENTS (T2)

	Issuer	CIC Est	CIC Est	Banque Transatlantique
COUPONS/DIVIDENDS				
17	Fixed or floating dividend/coupon	Floating	Floating	Floating
18	Coupon rate and any associated index	EURIBOR 3 months +1.02%	EURIBOR 3 months +1.55%	EURIBOR 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	n/a	n/a	n/a
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	n/a	n/a
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No	No
22	Cumulative or non-cumulative	n/a	n/a	n/a
23	Convertible or non-convertible	No	No	No
24	if convertible, conversion trigger	n/a	n/a	n/a
25	if convertible, fully or partially	n/a	n/a	n/a
26	if convertible, conversion rate	n/a	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a	n/a
30	Capital reduction characteristics	No	No	No
31	if reduction, reduction trigger	n/a	n/a	n/a
32	if reduction, total or partial	n/a	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors	Instrument subject to the payment of all unsecured creditors
36	Existence of non-compliant characteristics	No	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a	n/a

TABLE INDEX

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CIC offers a secure payment card to pay for healthcare expenses without having to pay in advance.

6 CONSOLIDATED FINANCIAL STATEMENTS

6.1 FINANCIAL STATEMENTS

6.1.1 Balance sheet (assets)

(in € millions)	Notes	12/31/2023	12/31/2022 restated	01/01/2022
Cash and central banks	4	45,611	65,940	56,241
Financial assets at fair value through profit or loss	5a	31,676	27,524	20,817
Hedging derivatives	6a	1,907	3,480	504
Financial assets at fair value through equity	7a	19,587	17,778	13,970
Securities at amortized cost	8a	4,010	3,558	3,444
Loans and receivables to credit institutions and similar at amortized cost	8b	47,338	40,954	35,143
Loans and receivables due from customers at amortized cost	8c	252,182	240,002	220,550
Revaluation adjustment on rate-hedged books	6b	-460	-2,221	434
Current tax assets	10a	624	675	612
Deferred tax assets	10b	414	440	497
Accruals and miscellaneous assets	11	5,693	5,180	5,730
Non-current assets held for sale		0	0	0
Investments in equity consolidated companies	12	1,503	1,500	1,611
Investment property	13	28	27	30
Property, plant and equipment	14a	1,672	1,570	1,631
Intangible assets	14b	143	170	184
Goodwill	15	33	33	33
TOTAL ASSETS		**411,961**	**406,610**	**361,431**

6.1.2 Balance sheet (liabilities)

(in € millions)	Notes	12/31/2023	12/31/2022 restated	01/01/2022
Central banks	18a	31	44	4
Financial liabilities at fair value through profit or loss	16	17,571	18,510	12,008
Hedging derivatives	6a	1,597	1,151	1,242
Due to credit and similar institutions at amortized cost	18a	96,258	105,739	78,187
Amounts due to customers at amortized cost	18b	230,348	222,144	217,829
Debt securities at amortized cost	18c	34,784	29,811	24,549
Revaluation adjustment on rate-hedged books	6b	-26	-16	7
Current tax liabilities	10a	376	267	264
Deferred tax liabilities	10b	292	270	261
Accruals and miscellaneous liabilities	19	5,808	6,154	6,595
Debt related to non-current assets held for sale		0	0	0
Provisions	20a	1,318	1,194	1,169
Subordinated debt at amortized cost	21	3,305	3,300	2,293
Total shareholders' equity		**20,299**	**18,042**	**17,023**
Shareholders' equity – Attributable to the group		**20,278**	**18,012**	**16,980**
Capital		612	612	612
Issue premiums		1,172	1,172	1,172
Consolidated reserves		16,500	14,136	13,081
Gains and losses recognized directly in equity	22a	8	-199	10
Profit (loss) for the period		1,986	2,291	2,105
Shareholders' equity – Non-controlling interests		**21**	**30**	**43**
TOTAL LIABILITIES		**411,961**	**406,610**	**361,431**

6.1.3 Income statement

(in € millions)	Notes	12/31/2023	12/31/2022 restated
Interest and similar income	24	16,327	6,951
Interest and similar expenses	24	-13,069	-3,789
Commissions (income)	25	3,257	3,206
Commissions (expenses)	25	-777	-719
Net gains on financial instruments at fair value through profit or loss	26	803	762
Net gains or losses on financial assets at fair value through shareholders' equity	27	-137	-150
Income from other activities	28	221	221
Expenses on other activities	28	-167	-155
Net revenue		**6,458**	**6,327**
General operating expenses	29a/29c	-3,549	-3,354
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	29e	-243	-204
Gross operating income		**2,666**	**2,769**
Cost of counterparty risk	30	-468	41
Operating income		**2,198**	**2,810**
Share of net profit/(loss) of equity consolidated companies	12	120	124
Net gains and losses on other assets	31	235	8
Income before tax		**2,553**	**2,942**
Income taxes	32	-564	-649
Net income		**1,989**	**2,293**
Net income – Non-controlling interests		3	2
NET PROFIT ATTRIBUTABLE TO THE GROUP		**1,986**	**2,291**
Earnings per share (in €)	33	52.24	60.26
Diluted earnings per share (in €)	33	52.24	60.26

6.1.4 Statement of net income and profits and losses recognized in shareholders' equity

(in € millions)	12/31/2023	12/31/2022 restated
Net income	**1,989**	**2,293**
Translation adjustments	-11	71
Revaluation of financial assets at fair value through equity – capital instruments	130	-143
Remeasurement of hedging derivatives	-	-
Share of unrealized or deferred gains and losses of associates	14	-179
Total recyclable gains and losses recognized directly in equity	**133**	**-251**
Revaluation of financial assets at fair value through equity – equity instruments at closing	8	-8
Actuarial gains and losses on defined benefit plans	2	26
Share of non-recyclable gains and losses of equity consolidated companies	64	23
Total non-recyclable gains and losses recognized directly in equity	**74**	**41**
Net profit/(loss) and gains and losses recognized directly in equity	**2,196**	**2,083**
o/w attributable to the group	2,193	2,081
o/w percentage of non-controlling interests	3	2

The terms net to gains and losses recognized directly in equity are presented for the amount net of tax.

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6.1.5 Changes in shareholders' equity

	Shareholders' equity, attributable to the group											
					Gains and losses recognized directly in equity							
(in € millions)	Capital	Premiums	Elimination of treasury shares	Reserves [1]	Translation adjustments	Assets at FVOCI [2]	Instr. for hedging	Actuarial gains and losses	Net profit/(loss)	Total	Non-controlling interests	Total consolidated shareholders' equity
BALANCE AT 12/31/2021	**612**	**1,172**	**-56**	**12,999**	**89**	**79**	**0**	**-61**	**2,105**	**16,939**	**43**	**16,982**
Impacts IFRS 17 and IFRS 9 insurance	-	-	-	138	-	-97	-	-	-	41	-	41
BALANCE AT 01/01/2022	**612**	**1,172**	**-56**	**13,137**	**89**	**-18**	**0**	**-61**	**2,105**	**16,980**	**43**	**17,023**
Appropriation of earnings from previous year	-	-	-	2,105	-	-	-	-	-2,105	-	-	-
Distribution of dividends	-	-	-	-1,045	-	-	-	-	-	-1,045	-8	-1,053
Acquisition of additional shareholdings or partial disposals	-	-	-	-2	-	-	-	-	-	-2	-7	-9
Subtotal of movements related to relations with shareholders	**0**	**0**	**0**	**1,058**	**0**	**0**	**0**	**0**	**-2,105**	**-1,047**	**-15**	**-1,062**
Consolidated income for the period	-	-	-	-	-	-	-	-	2,291	2,291	2	2,293
Changes in gains and (losses) recognized directly in equity	-	-	-	-	71	-308	-	27	-	-210	-	-210
Subtotal	**0**	**0**	**0**	**-**	**71**	**-308**	**0**	**27**	**2,291**	**2,081**	**2**	**2,083**
Other changes	-	-	-	-3	-	1	-	-	-	-2	-	-2
BALANCE AT 12/31/2022	**612**	**1,172**	**-56**	**14,192**	**160**	**-325**	**0**	**-34**	**2,291**	**18,012**	**30**	**18,042**
BALANCE AT 01/01/2023	**612**	**1,172**	**-56**	**14,192**	**160**	**-325**	**0**	**-34**	**2,291**	**18,012**	**30**	**18,042**
Appropriation of earnings from previous year	-	-	-	2,291	-	-	-	-	-2,291	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-4	-4
Subtotal of movements related to relations with shareholders	**0**	**0**	**0**	**2,291**	**0**	**0**	**0**	**0**	**-2,291**	**0**	**-4**	**-4**
Consolidated income for the period	-	-	-	-	-	-	-	-	1,986	1,986	3	1,989
Changes in gains and (losses) recognized directly in equity	-	-	-	-	-8	214	-	2	-	208	-	208
Subtotal	**0**	**0**	**0**	**0**	**-8**	**214**	**0**	**2**	**1,986**	**2,194**	**3**	**2,196**
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-	-8	-8
Other changes	-	-	-	73	-3	2	-	-	-	72	-	72
BALANCE AT 12/31/2023	**612**	**1,172**	**-56**	**16,556**	**149**	**-109**	**0**	**-32**	**1,986**	**20,278**	**21**	**20,299**

(1) Total reserves amounted to €16,556 million and comprise, at December 31, 2023, the legal reserve for €61 million, the special reserve for long-term capital gains for €287 million, retained earnings for €189 million, other CIC reserves for €8,020 million and consolidated reserves for €7,999 million.

(2) FVOCI: Fair value through other comprehensive income.

At December 31, 2023, CIC's share capital consisted of 38,241,129 shares with a nominal value of €16 of which 231,711 treasury shares.

6.1.6 Net cash flow statement

(in € millions)	2023	2022 restated
Net income	1,989	2,293
Taxes	564	649
Income before tax	**2,553**	**2,942**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	215	205
- Impairment of goodwill and other fixed assets	25	-1
+/- Net provisions and impairments	325	-346
+/- Share of income from companies consolidated using the equity method	-120	-124
+/- Net loss/gain from investing activities	3	16
+/- (Income)/expenses from financing activities	-	-
+/- Other movements	852	1,057
Total non-monetary items included in net income before tax and other adjustments	**1,300**	**807**
+/- Flows related to transactions with credit institutions	-12,212	12,432
+/- Flows related to client transactions	-4,826	-14,771
+/- Flows related to other transactions affecting financial assets or liabilities	-3,599	-1,756
+/- Flows related to other transactions affecting non-financial assets or liabilities	-2,894	2,012
- Taxes paid	-328	-553
Net decrease/(increase) in assets and liabilities from operating activities	**-23,859**	**-2,636**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**-20,006**	**1,113**
+/- Flows related to financial assets and investments	-423	-198
+/- Flows related to investment property	8	3
+/- Flows related to property, plant and equipment and intangible assets	-300	-115
TOTAL NET CASH FLOW GENERATED FROM INVESTING ACTIVITIES (B)	**-715**	**-310**
+/- Cash flow to or from shareholders [1]	175	-983
+/- Other net cash flows from financing activities	2,003	3,782
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	**2,178**	**2,799**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**-21**	**343**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-18,564**	**3,945**
Net cash flow generated from operating activities (A)	-20,006	1,113
Net cash flow generated to investing activities (B)	-715	-310
Net cash flow related to financing transactions (C)	2,178	2,799
Effect of foreign exchange rate changes on cash and cash equivalents (D)	-21	343
Cash and cash equivalents at opening	**67,574**	**63,629**
Cash, central banks (assets and liabilities)	65,891	56,237
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	1,683	7,392
Cash and cash equivalents at closing	**49,010**	**67,574**
Cash, central banks (assets and liabilities)	45,567	65,891
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	3,443	1,683
CHANGE IN NET CASH POSITION	**-18,564**	**3,945**

(1) Cash flow to or from shareholders includes:
- *dividends paid to non-controlling interests for -€-4million;*
- *dividends received from equity-consolidated companies for €179million.*

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6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 the 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 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.

<u>Application of the modified retrospective approach</u>

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.

<u>Portfolios modeled under to the general measurement model</u>

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.

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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 to that proposed by the Recommendation. See Section II-2 Insurance*

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 underto the simplified model

In the case of contracts valued under to 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 European Union 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

Due to the consolidation of GACM through the equity method, the impacts of the application of IFRS 17 and IFRS 9 at January 1, 2023 concern, for assets, the "Investments in equity consolidated companies" item and, for liabilities, the "Shareholders' equity" item for - €237 million.

BALANCE SHEET (ASSETS)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9	12/31/2022 published
Cash and central banks	65,940	0	65,940
Financial assets at fair value through profit or loss	27,524	0	27,524
Hedging derivatives	3,480	0	3,480
Financial assets at fair value through equity	17,778	0	17,778
Securities at amortized cost	3,558	0	3,558
Loans and receivables due from credit institutions and similar at amortized cost	40,954	0	40,954
Loans and receivables due from customers at amortized cost	240,002	0	240,002
Revaluation adjustment on rate-hedged books	-2,221	0	-2,221
Current tax assets	675	0	675
Deferred tax assets	440	0	440
Accruals and other assets	5,180	0	5,180
Non-current assets held for sale	0	0	0
Postponed profit sharing	0	0	0
Investments in equity consolidated companies	1,500	237	1,263
Investment property	27	0	27
Property, plant and equipment	1,570	0	1,570
Intangible fixed assets	170	0	170
Goodwill	33	0	33
TOTAL ASSETS	**406,610**	**237**	**406,373**

BALANCE SHEET (LIABILITIES)

(in € millions)	12/31/2022 restated	Impact IFRS 17/9	12/31/2022 published
Central banks	44	-	44
Financial liabilities at fair value through profit or loss	18,510	-	18,510
Hedging derivatives	1,151	-	1,151
Due to credit and similar institutions at amortized cost	105,739	-	105,739
Amounts due to customers at amortized cost	222,144	-	222,144
Debt securities at amortized cost	29,811	-	29,811
Revaluation adjustment on rate-hedged books	-16	-	-16
Current tax liabilities	267	-	267
Deferred tax liabilities	270	-	270
Deferred income, accrued charges and other liabilities	6,154	-	6,154
Debt related to non-current assets held for sale	0	-	0
Liabilities related to insurance contracts.	-	-	-
Insurance contracts issued - liabilities	-	-	-
Reinsurance contracts held - liabilities	-	-	-
Provisions	1,194	-	1,194
Subordinated debt at amortized cost	3,300	-	3,300
Total shareholders' equity	**18,042**	**237**	**17,805**
Shareholders' equity – Attributable to the group	**18,012**	**237**	**17,775**
Capital and related reserves	612	-	612
Issue premiums	1,172	-	1,172
Consolidated reserves	14,136	128	14,007
Gains and losses recognized directly in equity	-199	106	-305
Profit (loss) for the period	2,291	3	2,289
Shareholders' equity – Non-controlling interests	**30**	**-**	**30**
TOTAL LIABILITIES	**406,610**	**237**	**406,373**

INCOME STATEMENT

(in € millions)	12/31/2022 restated	Impact IFRS 17/9 and other	12/31/2022 published
Interest and similar income	6,951		6,951
Interest and similar expenses	-3,789		-3,789
Commissions (income)	3,206		3,206
Commissions (expenses)	-719		-719
Net gains on financial instruments at fair value through profit or loss	762		762
Net gains and losses on derecognition of financial assets	-150		-150
Income from other activities	221		221
Expenses on other activities	-155		-155
Net revenue	**6,327**		**6,327**
Employee benefits expense	-1,973		-1,973
Other general operating expenses	-1,381		-1,381
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-204		-204
Gross operating income	**2,769**		**2,769**
Cost of risk	41		41
Operating income	**2,810**		**2,810**
Share of net profit/(loss) of equity consolidated companies	124	2	122
Net gains and losses on other assets	8		8
Income before tax	**2,942**	**2**	**2,940**
Income taxes	-649		-649
Net income	**2,293**	**2**	**2,291**
Net profit/(loss) – Non-controlling interests	2		2
NET PROFIT ATTRIBUTABLE TO THE GROUP	**2,291**	**2**	**2,289**

Macroeconomic and geopolitical context

The Crédit Industriel et Commercial 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 Crédit Industriel et Commercial 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 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:

	2022 average	2023 average	2024 average	2025 average	2026 average
Macroeconomic assumptions					
France					
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 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 €951 million, varying by €297 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 €71 million, €54 million and €94 million respectively. They represent 23% 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 10.4%, or €99 million;
- optimistic scenario would, on the other hand, lead to a 14% reduction in expected credit losses, or €133 million;
- central scenario would lead to a decrease in expected credit losses of 6.5%, or €62 million.

1. Consolidation scope

Principles for inclusion in the 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 controlled exclusively by the group are included in the consolidation scope when their full consolidation, taken individually, has an impact of at least 1% on the main items of the consolidated balance sheet and consolidated income statement. Moreover, all non-consolidated subsidiaries taken together must account for less than 5% of the main items of the consolidated balance sheet and consolidated income statement. However, smaller entities may be included in the consolidation scope in the following cases: if the group considers that they represent a strategic investment; if they are engaged in an activity which is one of the group's core business lines; or if they hold shares in consolidated companies.

The consolidation scope comprises:

- *controlled entities:* control is deemed to exist 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 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. Companies that are owned by private equity companies and over which joint control or significant influence is exercised are excluded from the scope of consolidation and accounted for under the fair value through profit or loss option.

2. Consolidation methods and principles

2.1 Consolidation methods

The consolidation methods used are the following:

2.1.1 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.

2.1.2 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.

2.2 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.

2.3 Reporting date

The reporting date for all of the group's consolidated companies is December 31.

2.4 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.

2.5 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.

2.6 Goodwill

2.6.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity's assets, liabilities and contingent operating liabilities are measured at their fair values at that date. Fair value adjustments correspond to the difference between the carrying amount and fair value.

2.6.2 Goodwill

In accordance with IFRS 3R, when CIC acquires 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 under 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, and which it continues to control, 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.

3. Accounting policies and principles

3.1 Financial instruments under IFRS 9

3.1.1 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.

3.1.1.1 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:
  - 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 (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).

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 (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 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 €7,051 million. Outstandings downgraded to stage 3 amounted to €1,012 million.

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 €120 million.

Financial assets at fair value through equity

Since the group does not sell its loans, this category solely consists of 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 3.1.7 "Derecognition of financial assets and liabilities" and 3.1.8 "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 3.1.7 "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).

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.

3.1.1.2 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 3.1.7 "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.

3.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

3.1.2.1 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, were 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.

3.1.2.2 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, 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.

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

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 the group could borrow depended 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 could 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 were recalibrated. 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.

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 for TLTRO III operations in order to reinforce the transmission of higher key rates to bank lending conditions.

This change was accompanied by the opening of three additional early redemption dates.

In 2023, the last transactions were completed (maturing and early repayments).

At December 31, 2023, there were no longer any TLTRO outstandings in CIC's financial statements.

3.1.3 Debt-equity distinction

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.

3.1.4 Foreign currency transactions

Financial assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rates prevailing at the reporting date.

Monetary financial assets and 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".

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) on portfolio 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.

3.1.5 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 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.

3.1.5.1 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 concerned 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.

3.1.5.2 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 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:
  - maintaining 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:
  - updating 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.

3.1.6 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.

3.1.7 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.

3.1.8 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.

3.1.8.1 Governance

As a subsidiary of Crédit Mutuel Alliance Fédérale, CIC has the same organizational structure as the Crédit Mutuel's other regional groups.

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 body 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.

3.1.8.2 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).

Note 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 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.

3.1.8.3 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) ratio. 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, neutral 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.

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.

3.1.8.4 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 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 group applies the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds.

The main developments related to the implementation of this new definition are the following:

- 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 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.

3.1.8.5 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.

3.1.8.6 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 3.1.6 "Financial guarantees and financing commitments" and 3.2.2 "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.

3.1.9 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.

3.1.9.1 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.

3.1.9.2 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.

3.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- level 1: price 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 the capital markets activities, 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.

3.2 Non-financial instruments

3.2.1 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 is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Ownership may or may not eventually be transferred.

An operating lease is any lease that is not a finance lease.

3.2.1.1 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 3.1.8. “Measurement of credit risk”).

3.2.1.2 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.

3.2.2 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.

3.2.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under "Provisions". Any movements in this provision are recognized in the income statement under "Employee benefit expense" except for the portion resulting from actuarial gains and losses, which is recognized in unrealized or deferred gains and losses, under equity.

3.2.3.1 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. 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.

In France, retirement benefits in the group's banks are at least 60% covered by insurance from ACM Vie – an insurance company which is part of the Crédit Mutuel group and is consolidated under the equity method.

3.2.3.2 Supplementary pensions covered by pension funds

The AFB interim agreement dated September 13, 1993, modified pension plans for banking institutions. Since January 1, 1994, banks affiliate with the national plans, Arrco and Agirc. The four pension funds to which the group's banks contributed were merged. They pay the various benefits covered by the transitional agreement. In the event that fund assets are not sufficient to cover these benefit obligations, the banks are required to make additional contributions. The average contribution rate for the next ten years is capped at 4% of the payroll. The pension fund resulting from the mergers was converted into an IGRS (a French supplementary pension management institution) in 2009. It does not have an asset shortfall.

3.2.3.3 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.

3.2.3.4 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 give rise to a provision.

3.2.3.5 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.

3.2.3.6 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.

3.2.4 Non-current assets

3.2.4.1 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 non-current assets such as lease rights are tested for impairment 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."

3.2.4.2 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. Computer and safety equipment were not included due to the fact that they are replaceable, in accordance with the standard.

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. 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.

3.2.5 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.

3.2.6 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.

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.

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.

3.2.7 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 "Debts 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".

3.3 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;
- 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.

4. Related-party information

Parties related to CIC are companies consolidated by CIC, as well as by the CMAF group.

Transactions carried out between CIC and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of the CIC's consolidated companies is presented in Note 2a of quantified data, hereinafter. As transactions carried out and outstandings that exist at the end of the period between the group's fully 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.

5. Standards and interpretations adopted by the European Union and not yet applied

5.1 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 2a Consolidation scope

Incoming companies:

- CIC Capital Belgium;
- Caroline 1.

Exiting companies:

- CIC Private Debt;
- Cigogne Management;
- Crédit Mutuel Asset Management.

Companies	Currency	Country	12/31/2023 Percentage Control	12/31/2023 Percentage Interest	12/31/2023 Method[1]	12/31/2022 Percentage Control	12/31/2022 Percentage Interest	12/31/2022 Method[1]
Consolidated company: Crédit Industriel et Commercial – CIC								
CIC Brussels (branch)		Belgium	100	100	FC	100	100	FC
CIC Hong Kong (branch)	USD	Hong Kong	100	100	FC	100	100	FC
CIC London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC
CIC New York (branch)	USD	USA	100	100	FC	100	100	FC
CIC Singapore (branch)	USD	Singapore	100	100	FC	100	100	FC
A. Banking network								
CIC Est		France (i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque		France (i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque Monaco (branch)		Monaco	100	100	FC	100	100	FC
CIC Nord Ouest		France (i)	100	100	FC	100	100	FC
CIC Ouest		France (i)	100	100	FC	100	100	FC
CIC Sud Ouest		France (i)	100	100	FC	100	100	FC
B. Business line subsidiaries								
Crédit Mutuel Factoring		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Leasing		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Leasing Benelux		Belgium	100	100	FC	100	100	FC
Crédit Mutuel Leasing Spain (branch)		Spain	100	100	FC	100	100	FC
Crédit Mutuel Leasing Gmbh		Germany	100	100	FC	100	100	FC
Crédit Mutuel Leasing Nederland (branch)		The Netherlands	100	100	FC	100	100	FC
Crédit Mutuel Real Estate Lease		France	54	54	FC	54	54	FC
FCT Crédit Mutuel Factoring		France	100	100	FC	100	100	FC
Gesteurop		France (i)	100	100	FC	100	100	FC
C. Corporate banking and capital markets [2]								
Caroline 1		France (i)	100	100	FC			
Satellite		France	100	100	FC	100	100	FC
D. Asset management and private banking								
Banque CIC (Suisse)	CHF	Switzerland	100	100	FC	100	100	FC
Banque de Luxembourg		Luxembourg	100	100	FC	100	100	FC
Banque de Luxembourg Belgique (branch)		Belgium	100	100	FC	100	100	FC
Banque de Luxembourg Investments SA		Luxembourg	100	100	FC	100	100	FC
Banque Transatlantique		France (i)	100	100	FC	100	100	FC
Banque Transatlantique London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC

Companies	Currency	Country	12/31/2023 Percentage Control	12/31/2023 Percentage Interest	12/31/2023 Method[1]	12/31/2022 Percentage Control	12/31/2022 Percentage Interest	12/31/2022 Method[1]
Banque Transatlantique Belgium		Belgium	100	100	FC	100	100	FC
Banque Transatlantique Luxembourg		Luxembourg	100	100	FC	100	100	FC
CIC Private Debt		France			NC	100	100	FC
Cigogne Management		Luxembourg			NC	60	60	FC
Crédit Mutuel Asset Management		France			NC	24	24	EM
Crédit Mutuel Épargne Salariale		France (i)	100	100	FC	100	100	FC
Dubly Transatlantique Gestion		France (i)	100	100	FC	100	100	FC
E. Private equity								
CIC Capital Belgium		Belgium	100	100	FC			
CIC Capital Canada Inc.	CAD	Canada	100	100	FC	100	100	FC
CIC Capital Deutschland Gmbh		Germany	100	100	FC	100	100	FC
CIC Capital Suisse SA	CHF	Switzerland	100	100	FC	100	100	FC
CIC Capital Ventures Quebec	CAD	Canada	100	100	FC	100	100	FC
CIC Conseil		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Capital		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Innovation		France	100	100	FC	100	100	FC
Crédit Mutuel Equity		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Equity SCR		France	100	100	FC	100	100	FC
F. Structure and logistics								
CIC Participations		France	100	100	FC	100	100	FC
G. Insurance companies								
Groupe des Assurances du Crédit Mutuel (GACM)[3]		France	16	16	EM	16	16	EM

(1) Method: FU = merger; FC = full consolidation; EM = equity method; NC = not consolidated.
(2) Corporate banking and capital markets activities are mainly carried out by Crédit Industriel et Commercial - consolidating entity; see note 3.
(3) Based on the consolidated financial statements.
(i) = members of the tax consolidation group set up by CIC.

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 (see table above).
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 February 3, 2023.

Country	Net revenue	Income (loss) before tax	Current tax	Deferred tax	Other taxes and social security contributions	Public subsidies	Workforce
Germany	-11	-16	0	0	0	-	14
Belgium	55	21	-8	0	-2	-	90
Canada	-8	-12	0	1	0	-	9
Spain	1	-1	0	0	0	-	8
United States of America	132	77	-27	0	-13	-	95
France	5,426	2,147	-484	17	-780	-	17,562
Hong Kong	15	8	-1	0	-2	-	20
Luxembourg	426	158	-33	1	-34	-	1,022
Monaco	10	1	0	0	0	-	19
The Netherlands	2	2	0	0	0	-	1
United Kingdom	68	55	-13	0	-5	-	74
Singapore	86	44	-7	0	-7	-	144
Switzerland	256	69	-5	-5	-15	-	430
TOTAL	**6,458**	**2,553**	**-578**	**14**	**-858**	**-**	**19,488**

Note 2b Fully consolidated entities with significant non-controlling interests

	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities[1]			
12/31/2023	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	OCI	Net revenue	Net income
Crédit Mutuel Real Estate Lease	46%	1	19	-2	6,043	-0	19	2

(1) Amounts before elimination of intercompany balances and transactions.

	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities[1]			
12/31/2022	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	OCI	Net revenue	Net income
Crédit Mutuel Real Estate Lease	46%	-1	22	-4	5,693	-0	30	-1
Cigogne Management	40%	2	6	-3	34	0	15	5

(1) Amounts before elimination of intercompany balances and transactions.

Note 2c Equity investments in structured non-consolidated entities

	12/31/2023			12/31/2022		
	Securitization vehicle (SPV)	Asset management (UCITS/REIT) [2]	Other structured entities [3]	Securitization vehicle (SPV)	Asset management (UCITS/REIT)[2]	Other structured entities[3]
Balance sheet total	0	103	2,845	0	107	2,537
Carrying amount of financial assets[1]	0	39	1,034	0	41	1,036
Carrying amount of financial liabilities[1]	0	6	0	0	13	0
Maximum exposure to risk of loss	0	33	0	0	36	0

(1) Carrying amount of assets and liabilities that the reporting entity recognizes with respect to these structured entities.
(2) These are mainly UCITS managed by the group.
(3) The other structured entities correspond to asset financing 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 or sold following the financing transaction. The group is generally the sole shareholder.

For this category, the maximum exposure to losses on SPEs is always less than the carrying amount of the financed asset of the SPE.

Collective investment undertakings or funds

Through its asset management entities, the group acts as fund manager and custodian. It markets dedicated or public funds to its customers, in which it does not invest. The group receives compensation for this management and marketing.

In the context of management, the group may be counterparty to swap transactions set up.

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.

The group's risk is essentially an operational risk of failure to meet its management obligations on behalf of third parties or as custodian and, where applicable, the group is exposed to the risk of loss to the extent of the sums invested for proprietary trading.

Note 3 Analysis of the balance sheet and income statement by business line and geographic area

Business line analysis principle

- Retail Banking comprises a) the banking network, made up of the regional banks and the CIC network in Ile-de-France, and b) the specialized activities whose product marketing is performed by the network: real estate and equipment leasing, factoring, real estate. The insurance business line – which is consolidated using the equity method – is included in this business segment.
- Corporate banking and Capital Markets comprise a) corporate and institutional financing, specialized financing and international activities, and b) Capital Markets, which include investments in interest-rate, equity and credit-related activities (ITAC) and stock market intermediation.
- Asset management and private banking include asset management, collective third-party management and employee savings; for private banking, companies for which this is the main purpose, both in France and abroad.
- Private equity includes proprietary trading and financial engineering services *via* dedicated entities. The entire portfolio is accounted for under the fair value option.
- The holding company covers all activities not assigned to another business.

Each consolidated company is included in only one business line, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose annual financial statements are allocated on a cost accounting basis.

BREAKDOWN OF ASSETS BY BUSINESS LINE

12/31/2023	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Cash, central banks	284	1,874	4,812	-	38,641	45,611
Financial assets at fair value through profit or loss	157	26,270	157	4,343	749	31,676
Hedging derivatives	1,037	792	78	-	-	1,907
Financial assets at fair value through equity	131	19,320	105	-	31	19,587
Financial assets at amortized cost	225,138	36,174	26,645	52	15,521	303,530
of which loans and receivables due from credit institutions[1]	*19,702*	*7,153*	*5,322*	*29*	*15,132*	*47,338*
of which loans and receivables due from customers	*205,399*	*26,892*	*19,506*	*1*	*384*	*252,182*
Investments in equity consolidated companies	1,451	-	-	-	52	1,503

(1) Including €23,244 million with respect to BFCM.

12/31/2022 restated	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Cash, central banks	323	4,971	6,270	-	54,376	65,940
Financial assets at fair value through profit or loss	150	22,821	291	3,760	502	27,524
Hedging derivatives	1,832	1,532	94	-	22	3,480
Financial assets at fair value through equity	117	17,538	96	-	27	17,778
Financial assets at amortized cost	213,017	29,302	25,611	49	16,535	284,514
of which loans and receivables due from credit institutions [1]	*14,324*	*5,102*	*5,114*	*12*	*16,402*	*40,954*
of which loans and receivables due from customers	*198,654*	*22,551*	*18,669*	*1*	*127*	*240,002*
Investments in equity consolidated companies	1,428		20	-	52	1,500

(1) Including €21,176 million with respect to BFCM.

BREAKDOWN OF LIABILITIES BY BUSINESS LINE

12/31/2023	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Central banks	-	3	28	-	-	31
Financial liabilities at fair value through profit or loss	-	17,280	93	-	198	17,571
Hedging derivatives	789	772	29	-	7	1,597
Due to credit and similar institutions at amortized cost[1]	41,710	7,422	1,978	-	45,148	96,258
Amounts due to customers at amortized cost	179,402	17,082	26,920	-	6,944	230,348
Debt securities at amortized cost	734	30,956	35	-	3,059	34,784

(1) *Including €74,451 million with respect to BFCM.*

12/31/2022 restated	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Central banks	-	-	44	-	-	44
Financial liabilities at fair value through profit or loss	-	18,325	166	-	19	18,510
Hedging derivatives	20	1,073	23	-	35	1,151
Due to credit and similar institutions at amortized cost[1]	39,385	9,801	1,537	-	55,016	105,739
Amounts due to customers at amortized cost	171,176	15,949	28,216	-	6,803	222,144
Debt securities at amortized cost	1,230	24,040	40	-	4,501	29,811

(1) *Including €85,694 million with respect to BFCM.*

BREAKDOWN OF THE INCOME STATEMENT BY BUSINESS LINE

12/31/2023	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Net revenue	4,023	1,088	937	345	65	6,458
General operating expenses	-2,643	-411	-555	-86	-97	-3,792
Gross operating income	**1,380**	**677**	**382**	**259**	**-32**	**2,666**
Cost of counterparty risk	-228	-164	-76	-	-	-468
Gains on other assets[1]	123	8	17	-	207	355
Income before tax	**1,275**	**521**	**323**	**259**	**175**	**2,553**
Income tax	-328	-178	-68	-2	12	-564
Net profit/(loss)	**947**	**343**	**255**	**257**	**187**	**1,989**

(1) *Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.*

12/31/2022 restated	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Net revenue	4,201	806	815	430	75	6,327
General operating expenses	-2,471	-379	-521	-75	-112	-3,558
Gross operating income	**1,730**	**427**	**294**	**355**	**-37**	**2,769**
Cost of counterparty risk	52	20	-33	2	-	41
Gains on other assets[1]	127	-	13	-	-8	132
Income before tax	**1,909**	**447**	**274**	**357**	**-45**	**2,942**
Income tax	-482	-102	-53	-17	5	-649
Net profit/(loss)	**1,427**	**345**	**221**	**340**	**-40**	**2,293**

(1) *Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.*

BALANCE SHEET BREAKDOWN BY GEOGRAPHIC AREA

ASSETS

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries	Total	France	Europe outside France	Other countries	Total
Cash, central banks	38,924	4,813	1,874	45,611	54,698	6,272	4,970	65,940
Financial assets at fair value through profit or loss	28,614	351	2,711	31,676	26,125	536	863	27,524
Hedging derivatives	1,799	78	30	1,907	3,304	94	82	3,480
Financial assets at fair value through equity	8,476	101	11,010	19,587	8,103	93	9,582	17,778
Financial assets at amortized cost	265,646	26,683	11,201	303,530	248,798	25,422	10,294	284,514
of which loans and receivables due from credit institutions	*38,688*	*5,319*	*3,331*	*47,338*	*33,498*	*5,048*	*2,408*	*40,954*
of which loans and receivables due from customers	*225,080*	*19,233*	*7,869*	*252,182*	*213,882*	*18,233*	*7,887*	*240,002*
Investments in equity consolidated companies	1,503	0	0	1,503	1,500	0	0	1,500

LIABILITIES

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries	Total	France	Europe outside France	Other countries	Total
Central banks	0	28	3	31	0	44	0	44
Financial liabilities at fair value through profit or loss	17,106	241	224	17,571	17,743	325	442	18,510
Hedging derivatives	1,577	14	6	1,597	1,123	23	5	1,151
Due to credit institutions	84,938	8	11,312	96,258	92,761	4,148	8,830	105,739
Due to customers	204,015	22,764	3,569	230,348	194,085	24,070	3,989	222,144
Debt securities	18,534	6,174	10,076	34,784	17,467	1,353	10,991	29,811

BREAKDOWN OF INCOME STATEMENT BY GEOGRAPHIC AREA

	12/31/2023				12/31/2022 restated			
	France	Europe outside France	Other countries	Total	France	Europe outside France	Other countries	Total
Net revenue	5,426	807	225	6,458	5,423	661	243	6,327
General operating expenses	-3,228	-454	-110	-3,792	-3,027	-422	-109	-3,558
Gross operating income	**2,198**	**353**	**115**	**2,666**	**2,396**	**239**	**134**	**2,769**
Cost of counterparty risk	-391	-79	2	-468	47	-32	26	41
Gains on other assets [1]	340	15	0	355	132	0	0	132
Income before tax	**2,147**	**289**	**117**	**2,553**	**2,575**	**207**	**160**	**2,942**
Income tax	-467	-63	-34	-564	-580	-41	-28	-649
Total Net profit/(loss)	**1,680**	**226**	**83**	**1,989**	**1,995**	**166**	**132**	**2,293**

(1) *Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.*

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NOTES TO THE BALANCE SHEET – ASSETS

Note 4 Cash and central banks

	12/31/2023	12/31/2022
Cash and central banks		
Central banks	45,319	65,610
of which mandatory reserves	*1,887*	*1,761*
Local bank	292	330
TOTAL	**45,611**	**65,940**

Note 5 Financial assets and liabilities at fair value through profit or loss

Note 5a Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**8,267**	**786**	**4,784**	**13,837**	**6,315**	**733**	**3,990**	**11,038**
Government securities	694	0	0	694	1,034	0	0	1,034
Bonds and other debt securities	6,309	786	253	7,348	4,550	733	223	5,506
■ Listed	6,309	0	9	6,318	4,550	26	161	4,737
■ Non-listed	0	786	244	1,030	0	707	62	769
of which UCIs	*0*		*62*	*62*	*0*		*216*	*216*
Shares and other capital instruments	1,264	-	4,026	5,290	731	-	3,300	4,031
■ Listed	1,264	-	256	1,520	731	-	251	982
■ Non-listed	0	-	3,770	3,770	0	-	3,049	3,049
Long-term investments	-	-	505	505	-	-	467	467
■ Equity investments	-	-	134	134	-	-	44	44
■ Other long-term investments	-	-	43	43	-	-	118	118
■ Investments in subsidiaries and associates	-	-	327	327	-	-	304	304
■ Other long-term investments	-	-	1	1	-	-	1	1
Derivative instruments	**5,228**	**-**	**-**	**5,228**	**6,581**	**-**	**-**	**6,581**
Loans and receivables	**12,442**	**0**	**17**	**12,459**	**9,751**	**0**	**14**	**9,765**
of which pensions	*12,442*	*0*		*12,442*	*9,751*	*0*		*9,751*
Other assets classified as FVPL[1]	**-**	**-**	**152**	**152**	**-**	**-**	**140**	**140**
TOTAL	**25,937**	**786**	**4,953**	**31,676**	**22,647**	**733**	**4,144**	**27,524**

(1) Reimbursement rights concerning the defined benefit plan for retirement benefits.

Note 5b Analysis of trading derivatives

	12/31/2023			12/31/2022		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Trading derivatives						
Rate instruments	149,543	3,245	3,151	133,436	4,508	4,362
Swaps	52,645	2,594	2,812	44,833	3,111	3,790
Other firm contracts	54,144	0	0	52,355	0	0
Options and conditional instruments	42,754	651	339	36,248	1,397	572
Foreign exchange instruments	107,183	1,755	1,655	109,639	1,801	1,844
Swaps	56,485	47	72	60,401	45	144
Other firm contracts	13,631	1,474	1,349	12,497	1,450	1,394
Options and conditional instruments	37,067	234	234	36,741	306	306
Other derivatives	19,192	228	220	22,168	272	308
Swaps	6,711	83	98	7,040	50	110
Other firm contracts	8,541	44	57	9,923	100	85
Options and conditional instruments	3,940	101	65	5,205	122	113
TOTAL	**275,918**	**5,228**	**5,026**	**265,243**	**6,581**	**6,514**

Derivatives are discounted in line with the rate of return on the collateral to which they relate:

- if the derivative is cleared in a CCP (LCH or Eurex): the RFR curve of the corresponding currency defined by the CCP;
- if the derivative remained bilateral (bank counterparty): almost exclusively Ester discounting curve (as the CSA or ARG provide almost exclusively for the exchange of collateral in EUR);
- if the derivative is not collateralized (in the case of customers): EURIBOR discounting 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

Note 6a Hedging derivatives

	12/31/2023			12/31/2022		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Hedging derivatives						
Fair Value Hedges	101,934	1,907	1,597	86,241	3,480	1,151
Swaps	101,933	1,907	1,597	59,135	3,480	1,151
Other firm contracts	0	0	0	27,090	0	0
Options and conditional instruments	1	0	0	16	0	0
TOTAL	**101,934**	**1,907**	**1,597**	**86,241**	**3,480**	**1,151**

Derivatives are discounted in line with the rate of return on the collateral to which they relate:

- if the derivative is cleared in a CCP (LCH or Eurex): the RFR curve of the corresponding currency defined by the CCP;
- if the derivative remained bilateral (bank counterparty): almost exclusively Ester discounting curve (as the CSA or ARG provide almost exclusively for the exchange of collateral in EUR);
- if the derivative is not collateralized (in the case of customers): EURIBOR discounting 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.

Hedging derivatives consist solely of interest rate instruments.

MATURITY SCHEDULE OF THE NOMINAL VALUE OF HEDGING DERIVATIVES

	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2023
Hedging derivatives					
Fair Value Hedges	10,678	22,037	52,334	16,885	101,934
Swaps	10,678	22,037	52,333	16,885	101,933
Other firm contracts	0	0	0	0	0
Options and conditional instruments	0	0	1	0	1
TOTAL	**10,678**	**22,037**	**52,334**	**16,885**	**101,934**

	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2022
Hedging derivatives					
Fair Value Hedges	6,381	9,053	61,923	8,884	86,241
Swaps	5,586	7,714	38,876	6,959	59,135
Other firm contracts	780	1,339	23,046	1,925	27,090
Options and conditional instruments	15	0	1	0	16
TOTAL	**6,381**	**9,053**	**61,923**	**8,884**	**86,241**

Note 6b Revaluation adjustment on rate-hedged books

	12/31/2023	12/31/2022
Fair value of portfolio interest rate risk		
■ in financial assets	-460	-2,221
■ in financial liabilities	-26	-16

Note 6c Fair Value Hedged items

12/31/2023	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	3,818	0	0
Customer loans at amortized cost	174,592	-465	1,896
Securities at amortized cost	1,134	-55	42
Financial assets at FVOCI	4,004	247	195
TOTAL	**183,548**	**-273**	**2,133**

12/31/2022	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	1,553	0	0
Customer loans at amortized cost	61,934	-2,221	0
Securities at amortized cost	1,125	-97	-123
Financial assets at FVOCI	3,885	0	0
TOTAL	**68,497**	**-2,318**	**-123**

Note 7 Financial assets at fair value through shareholders' equity

Note 7a Financial assets at fair value through shareholders' equity, by type of product

	12/31/2023	12/31/2022
Government securities	4,147	3,837
Bonds and other debt securities	15,024	13,590
Listed	14,081	12,547
Non-listed	943	1,043
Receivables related	141	91
Debt securities subtotal, gross	**19,312**	**17,518**
Of which impaired debt securities (S3)	*3*	*0*
Impairment of performing loans (S1/S2)	-16	-15
Other impairment (S3)	-3	0
Debt securities subtotal, net	**19,293**	**17,503**
Shares and other capital instruments	0	1
Listed	0	1
Non-listed	0	0
Long-term investments	294	274
Equity investments	89	80
Other long-term investments	158	142
Investments in subsidiaries and associates	47	52
Loaned securities	0	0
Non-performing current account advances to non-trading real estate company	0	0
Receivables related	0	0
Subtotal, equity instruments	**294**	**275**
TOTAL	**19,587**	**17,778**
of which unrealized capital gains or losses recognized under equity	*-41*	*-169*
of which listed equity investments	*0*	*0*

Note 7b List of main non-consolidated equity investments

		% held	Shareholders' equity	Balance sheet total	NBI or Revenues	Net profit/(loss)
Crédit Logement	Unlisted	5%	1,593	12,553	216	120

The figures (except the percentage held) relate to fiscal year 2022.

Note 7c 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				
Fair value through equity	16,117	3,140	330	19,587
■ Government and equivalent securities	4,059	72	36	4,167
■ Bonds and other debt securities	12,058	3,068	0	15,126
■ Shares and other capital instruments	0	0	0	0
■ Investments and other long-term securities	0	0	247	247
■ Investments in subsidiaries and associates	0	0	47	47
Trading/Fair value option/Other	6,972	17,763	6,790	31,525
■ 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	1,060	621	6,309
■ Bonds and other debt securities – Fair value option	0	0	786	786
■ Bonds and other debt securities – Other FVPL	191	55	9	255
■ Shares and other equity instruments – Trading	1,264	0	0	1,264
■ Shares and other capital instruments – Other FVPL	256	0	3,770	4,026
■ Investments and other long-term securities – Other FVPL	1	0	176	177
■ Investments in subsidiaries and associates – Other FVPL	0	0	327	327
■ 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 – Other FVPL	0	17	0	17
■ Loans and receivables – Trading	0	12,442	0	12,442
■ Derivatives and other financial assets – Trading	50	4,077	1,101	5,228
Hedging derivatives	1	1,906	0	1,907
TOTAL	**23,090**	**22,809**	**7,120**	**53,019**
FINANCIAL LIABILITIES				
Trading/Fair value option	1,254	14,872	1,445	17,571
■ Due to credit institutions – Fair value option	0	84	0	84
■ Amounts due to customers – Fair value option	0	61	0	61
■ Debt securities – Fair value option	0	0	0	0
■ Subordinated debt – Fair value option	0	0	0	0
■ Debt – Trading	0	11,059	0	11,059
■ Derivatives and other financial liabilities – Trading	1,254	3,668	1,445	6,367
Hedging derivatives	0	1,597	0	1,597
TOTAL	**1,254**	**16,469**	**1,445**	**19,168**

There is no transfer between levels 1 and 2 whose amount exceeds 10% of the amount of the "Total" line for the concerned category of assets or liabilities.

Description of levels:

- 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 incorporate risks that would not be captured by the model, liquidity risks associated with the instrument or parameter in question, and the counterparty risk present in the fair value of over-the-counter derivatives.

The methods used may change.

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.

FAIR VALUE HIERARCHY – LEVEL 3

12/31/2023	Opening	Purchases	Sales	Transfers	Gains and losses in the income statement	Other movement	Closing
Shares and other capital instruments – Other FVPL	3,049	383	-78	-3	315	104	3,770

12/31/2022	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Fair value through equity	14,317	3,122	339	17,778
■ Government and equivalent securities	3,573	224	59	3,856
■ Bonds and other debt securities	10,743	2,898	6	13,647
■ Shares and other capital instruments	1	0	0	1
■ Investments and other long-term securities	0	0	222	222
■ Investments in subsidiaries and associates	0	0	52	52
Trading/Fair value option/Other	4,946	15,761	6,677	27,384
■ 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	1,669	156	4,550
■ Bonds and other debt securities – Fair value option	26	0	707	733
■ Bonds and other debt securities – Other FVPL	163	45	16	224
■ Shares and other equity instruments – Trading	731	0	0	731
■ Shares and other capital instruments – Other FVPL	251	0	3,049	3,300
■ Investments and other long-term securities – Other FVPL	1	0	160	161
■ Investments in subsidiaries and associates – Other FVPL	0	0	305	305
■ 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 – Other FVPL	0	14	0	14
■ Loans and receivables – Trading	0	9,751	0	9,751
■ Derivatives and other financial assets – Trading	24	4,282	2,275	6,581
Hedging derivatives	3	3,477	0	3,480
TOTAL	**19,266**	**22,360**	**7,016**	**48,642**

12/31/2022	Level 1	Level 2	Level 3	Total
FINANCIAL LIABILITIES				
Trading/Fair value option	2,038	14,110	2,362	18,510
■ 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	9,788	0	9,788
■ Derivatives and other financial liabilities – Trading	2,038	4,165	2,362	8,565
Hedging derivatives	0	1,151	0	1,151
TOTAL	**2,038**	**15,261**	**2,362**	**19,661**

There is no transfer between levels 1 and 2 whose amount exceeds 10% of the amount of the “Total” line for the concerned category of assets or liabilities.

Note 7d Details of 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 other comprehensive income 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	12/31/2023	12/31/2022
RMBS	1,356	1,255
CMBS	0	0
CLO	3,851	3,996
Other ABS	4,259	3,653
TOTAL	**9,466**	**8,904**

Unless otherwise indicated, securities are not hedged by CDS.

EXPOSURES TO RMBS, CMBS, CLO AND OTHER ABS

12/31/2023	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	116	-	-	97	213
Amortized cost	19	-	31	2,501	2,551
Fair value – Others	1	-	306	60	367
Fair value through equity	1,220	-	3,514	1,601	6,335
TOTAL	**1,356**	**0**	**3,851**	**4,259**	**9,466**
France	543	-	841	1,888	3,272
Spain	58	-	-	229	287
United Kingdom	156	-	120	165	441
Europe excluding France, Spain and the UK	529	-	249	1,231	2,009
USA	2	-	2,641	585	3,228
Other	68	-	-	161	229
TOTAL	**1,356**	**0**	**3,851**	**4,259**	**9,466**
US Branches	-	-	-	-	0
AAA	1,326	-	3,527	1,573	6,426
AA	19	-	241	539	799
A	9	-	83	3	95
BBB	-	-	-	-	0
BB	-	-	-	1	1
B or below	2	-	-	7	9
Not rated	-	-	-	2,136	2,136
TOTAL	**1,356**	**0**	**3,851**	**4,259**	**9,466**
Origination 2005 and earlier	7	-	-	-	7
Origination 2006-2008	16	-	-	7	23
Origination 2009-2011	-	-	-	-	0
Origination 2012-2023	1,333	-	3,851	4,252	9,436
TOTAL	**1,356**	**0**	**3,851**	**4,259**	**9,466**

12/31/2022	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	145	-	-	206	351
Amortized cost	26	-	337	1,970	2,333
Fair value – Others	1	-	-	-	1
Fair value through equity	1,083	-	3,659	1,477	6,219
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**
France	559	-	786	1,384	2,729
Spain	95	-	-	327	422
United Kingdom	6	-	175	163	344
Europe excluding France, Spain and the UK	474	-	279	1,080	1,833
USA	5	-	2,756	567	3,328
Other	116	-	-	132	248
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**
US Branches	-	-	-	-	0
AAA	1,175	-	3,722	1,308	6,205
AA	63	-	199	643	905
A	10	-	75	4	89
BBB	5	-	-	-	5
BB	-	-	-	-	0
B or below	2	-	-	7	9
Not rated	-	-	-	1,691	1,691
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**
Origination 2005 and earlier	9	-	-	-	9
Origination 2006-2008	24	-	-	7	31
Origination 2009-2011	7	-	-	-	7
Origination 2012-2022	1,215	-	3,996	3,646	8,857
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**

Note 8 Financial assets at amortized cost

	12/31/2023	12/31/2022
Securities at amortized cost	4,010	3,558
Loans and receivables to credit institutions	47,338	40,954
Loans and receivables to customers	252,182	240,002
TOTAL	**303,530**	**284,514**

Note 8a Securities at amortized cost

	12/31/2023	12/31/2022
Securities	4,049	3,600
Government securities	1,313	1,356
Bonds and other debt securities	2,736	2,244
■ Listed	1,434	734
■ Non-listed	1,302	1,510
Receivables related	18	12
TOTAL GROSS	**4,067**	**3,612**
of which impaired assets (S3)	78	76
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-55	-52
TOTAL NET	**4,010**	**3,558**

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.

Note 8b Loans and receivables due from credit institutions at amortized cost

	12/31/2023	12/31/2022
Performing loans (S1/S2)	46,856	40,768
Current accounts	19,431	16,522
Loans	21,926	19,852
Other receivables	4,089	3,081
Pensions	1,410	1,313
Gross receivables subject to individual impairment (S3)	0	0
Receivables related	483	189
Impairment of performing loans (S1/S2)	-1	3
Other impairment (S3)	0	0
TOTAL	**47,338**	**40,954**

Note 8c Loans and receivables due from customers at amortized cost

	12/31/2023	12/31/2022
Performing loans (S1/S2)	233,925	223,342
Commercial loans	8,148	7,997
Other customer receivables	225,255	215,017
■ home loans	113,465	108,570
■ other loans and receivables	107,739	105,244
■ pensions	4,051	1,203
Receivables related	522	328
Gross receivables subject to individual impairment (S3)	6,366	5,296
Gross receivables	**240,291**	**228,638**
Impairment of performing loans (S1/S2)	-840	-949
Other impairment (S3)	-2,541	-2,149
Subtotal I	**236,910**	**225,540**
Finance leases (net investment)	14,916	14,176
Equipment	9,558	9,086
Real estate	5,358	5,090
Gross receivables subject to individual impairment (S3)	580	501
Impairment of performing loans (S1/S2)	-92	-97
Other impairment (S3)	-132	-118
Subtotal II	**15,272**	**14,462**
TOTAL	**252,182**	**240,002**
of which equity loans	*15*	*2*
of which subordinated loans	*12*	*12*

STATE-GUARANTEED LOANS

At December 31, 2023, state-guaranteed loans issued by the group amounted to €7,051 million.

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.

	Outstandings			Impairment		
12/31/2023	**S1**	**S2**	**S3**	**S1**	**S2**	**S3**
Amount	5,140	899	1,012	-3	-4	-113

	Outstandings			Impairment		
12/31/2022	**S1**	**S2**	**S3**	**S1**	**S2**	**S3**
Amount	7,166	1,318	810	-4	-11	-82

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2022	Increase	Decrease	Other	12/31/2023
Gross carrying amount	14,677	2,399	-1,575	-5	15,496
Impairment of non-recoverable lease payments	-215	-86	84	-7	-224
Net carrying amount	14,462	2,313	-1,491	-12	15,272

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	4,171	8,278	3,215	15,664
Present value of future lease payments	3,931	7,917	3,197	15,045
Unearned financial income	240	361	18	619

Note 9 Gross values and movements in impairment provisions

Note 9a Gross values subject to impairment

	12/31/2022	Acquisition/ production	Sales/ repayments	Transfer	Other[1]	12/31/2023
Financial assets at amortized cost – loans and receivables due from credit institutions, subject to	**40,957**	**20,992**	**-14,604**	**-1**	**-5**	**47,339**
■ 12-month expected losses (S1)	40,948	20,985	-14,598	0	-5	47,330
■ expected losses at termination (S2)	9	7	-6	-1	0	9
Financial assets at amortized cost – loans and receivables due from customers, subject to	**243,315**	**79,308**	**-67,878**	**0**	**1,042**	**255,787**
■ 12-month expected losses (S1)	220,489	77,487	-63,089	-1,828	387	233,446
■ expected losses at termination (S2)	17,029	1,163	-3,149	180	172	15,395
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	5,595	628	-1,544	1,648	457	6,784
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	202	30	-96	0	26	162
Financial assets at amortized cost – securities	**3,612**	**1,997**	**-1,552**	**0**	**10**	**4,067**
■ 12-month expected losses (S1)	3,528	1,993	-1,549	-1	10	3,981
■ with 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	76	4	-3	1	0	78
■ 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 other comprehensive income – debt securities	**17,518**	**14,780**	**-12,653**	**0**	**-333**	**19,312**
■ 12-month expected losses (S1)	17,516	14,777	-12,653	-5	-333	19,302
■ 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	**305,402**	**117,077**	**-96,687**	**-1**	**714**	**326,505**

(1) *Of which conversion.*

GROSS CARRYING AMOUNT OF EXPOSURES BY CATEGORY AND BY PROBABILITY OF DEFAULT INTERVAL (RECEIVABLES FROM CUSTOMERS)

12/31/2023 By probability of default interval 12 months IFRS 9	Of which originated credit-impaired assets	With 12-month expected losses	With expected losses at termination	With expected losses on assets credit-impaired at the reporting date but not credit-impaired on initial recognition
< 0.1	44	121,291	499	0
0.1-0.25	0	24,638	138	0
0.26-0.99	0	48,330	2,616	0
1-2.99	1	22,548	4,160	0
3-9.99	7	12,251	3,695	0
>= 10	173	4,388	4,287	6,784
TOTAL	**225**	**233,446**	**15,395**	**6,784**

12/31/2022 By probability of default interval 12 months IFRS 9	Of which originated credit-impaired assets	With 12-month expected losses	With expected losses at termination	With expected losses on assets credit-impaired at the reporting date but not credit-impaired on initial recognition
< 0.1	0	78,478	816	0
0.1-0.25	0	31,650	25	0
0.26-0.99	1	52,594	149	0
1-2.99	2	38,327	2,495	0
3-9.99	6	16,084	7,726	0
>= 10	226	3,356	5,818	5,595
TOTAL	**235**	**220,489**	**17,029**	**5,595**

BREAKDOWN OF IMPAIRMENT

	Outstandings			Impairment					Net out-standings
12/31/2023	S1	S2	S3	S1	Of which adjustment[1]	S2	Of which adjustment[1]	S3	
Loans and receivables due from credit institutions	47,330	9	0	-1		0		0	47,338
Loans and receivables due from customers	233,446	15,395	6,946	-335	-88	-597	-181	-2,673	252,183
Financial assets at amortized cost – securities	3,981	8	78	-1		-1		-55	4,010
Financial assets at FVOCI – debt securities	19,302	7	3	-16		0		-3	19,293
Financial assets at FVOCI – Loans	0	0	0	0		0		0	0
TOTAL	**304,059**	**15,419**	**7,027**	**-353**	**-88**	**-598**	**-181**	**-2,731**	**322,824**

(1) *Post-model adjustment and further depreciation of €50 million on leveraged transactions*

	Outstandings			Impairment					Net out-standings
12/31/2022	S1	S2	S3	S1	Of which adjustment[1]	S2	Of which adjustment[1]	S3	
Loans and receivables due from credit institutions	40,948	9	0	-3		0		0	40,954
Loans and receivables due from customers	220,489	17,029	5,797	-357	-36	-689	-114	-2,267	240,002
Financial assets at amortized cost – securities	3,528	8	76	-1		-1		-52	3,558
Financial assets at FVOCI – debt securities	17,516	2	0	-15		0		0	17,503
Financial assets at FVOCI – Loans	0	0	0	0		0		0	0
TOTAL	**282,481**	**17,048**	**5,873**	**-376**	**-36**	**-690**	**-114**	**-2,319**	**302,017**

(1) *Post-model adjustment and further depreciation of €50 million on leveraged transactions*

Note 9b Movements in impairment provisions

	12/31/2022	Addition	Reversal	Other	12/31/2023
Financial assets at amortized cost – loans and receivables due from credit institutions	**-3**	**-2**	**4**	**0**	**-1**
■ 12-month expected losses (S1)	-3	-2	4	0	-1
Financial assets at amortized cost – loans and receivables due from customers	**-3,313**	**-1,403**	**1,123**	**-12**	**-3,605**
■ 12-month expected losses (S1)	-357	-195	218	-1	-335
■ expected losses at termination (S2)	-689	-361	452	1	-597
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-2,267	-847	453	-12	-2,673
■ 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	**-54**	**-4**	**1**	**0**	**-57**
■ 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	-52	-4	1	0	-55
■ 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	**-15**	**-24**	**20**	**0**	**-19**
■ 12-month expected losses (S1)	-15	-21	20	0	-16
■ 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
TOTAL	**-3,385**	**-1,433**	**1,148**	**-12**	**-3,682**

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 increase in expected credit losses of 10.38%, or €99 million;
- optimistic scenario would, on the other hand, lead to a 14.01% reduction in expected credit losses, or €133 million;
- central scenario would lead to a decrease in expected credit losses of 6.48%, or €62 million.

Note 10 Tax

Note 10a Current tax

	12/31/2023	12/31/2022
Assets (through profit or loss)	624	675
Liabilities (through profit or loss)	376	267

Note 10b Deferred tax

	12/31/2023	12/31/2022
Assets (through profit or loss)	353	345
Assets (through shareholders' equity)	61	95
Liabilities (through profit or loss)	276	260
Liabilities (through shareholders' equity)	16	10

ANALYSIS OF DEFERRED TAXES (BY NET PROFIT/(LOSS)) BY MAJOR CATEGORIES

	12/31/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities
Temporary differences in:				
Provisions	186		216	
Finance leasing reserve		155		170
Earnings of flow-through entities				
Revaluation of financial instruments	103	131	344	369
Accrued expenses and accrued income	78		75	
Other temporary differences	75	79	62	73
Offsets	-89	-89	-352	-352
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	**353**	**276**	**345**	**260**

Deferred taxes are calculated according to the variable carry-forward principles.

Note 11 Accruals and miscellaneous assets

	12/31/2023	12/31/2022
Accruals		
Collection accounts	72	51
Currency adjustment accounts	15	23
Accrued income	483	431
Other accruals	1,263	1,098
Subtotal	**1,833**	**1,603**
Other assets		
Securities settlement accounts	98	55
Miscellaneous receivables	3,733	3,498
Inventories and similar	26	20
Other	3	4
Subtotal	**3,860**	**3,577**
TOTAL	**5,693**	**5,180**

Accruals and miscellaneous receivables consist mainly of suspense accounts relating to interbank payment systems.

Expense accounts payable and receivables concern employee benefit expenses and general operating expenses and do not concern lending or borrowing for which accrued interest not yet due constitutes debts or related debt obligations.

Note 12 Investments in equity consolidated companies

Note 12a Share of net income of equity consolidated companies

12/31/2023	Country	% interest	Value of equity consolidation[1]	Share of net profit/(loss)	Dividends received
Groupe ACM	France	16.06%	1,503	119	179
Crédit Mutuel Asset Management[1]	France	0.00%	0	1	0
TOTAL			**1,503**	**120**	**179**

(1) Crédit Mutuel Asset Management was sold in July 2023 to BFCM.

12/31/2022 restated	Country	% interest	Value of equity consolidation[1]	Share of net profit/(loss)	Dividends received
Groupe ACM	France	16.06%	1,480	123	64
Crédit Mutuel Asset Management	France	23.54%	20	1	6
TOTAL			**1,500**	**124**	**70**

(1) Comprises goodwill of €52 million for Groupe ACM.

Note 12b Data of the main equity consolidated companies

12/31/2023	Balance sheet total	NBI/Rev.	GOI	Net income	OCI	Shareholders' equity
Groupe ACM	125,692	1,080	1,080	746	514	9,194

12/31/2022 restated	Balance sheet total	NBI/Rev.	GOI	Net income	OCI	Shareholders' equity
Groupe ACM	118,814	1,145	1,145	772	21	9,046
Crédit Mutuel Asset Management	137	89	8	6	0	84

Note 13 Investment property

	12/31/2022	Increase	Decrease	Other	12/31/2023
Historical cost	65	1	-9	4	61
Depreciation and impairment	-38	-1	0	6	-33
NET AMOUNT	**27**	**0**	**-9**	**10**	**28**

The fair value of investment property carried at amortized cost is comparable to its carrying amount.

Note 14 Property, plant and equipment and intangible assets

Note 14a Property, plant and equipment

	12/31/2022	Increase	Decrease	Other	12/31/2023
Historical cost					
Operating sites	334	5	0	0	339
Operating buildings	2,610	84	-166	0	2,528
Usage rights – Real estate	655	148	-22	14	795
Other property, plant and equipment	544	95	-61	5	583
TOTAL	**4,143**	**332**	**-249**	**19**	**4,245**
Depreciation and impairment					
Operating sites	0	0	0	0	0
Operating buildings	-1,837	-75	157	0	-1,755
Usage rights – Real estate	-293	-103	17	0	-379
Other property, plant and equipment	-443	-18	22	0	-439
TOTAL	**-2,573**	**-196**	**196**	**0**	**-2,573**
NET AMOUNT	**1,570**	**136**	**-53**	**19**	**1,672**

Note 14b Intangible assets

	12/31/2022	Increase	Decrease	Other	12/31/2023
Historical cost					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	355	21	-4	4	376
■ software	167	16	0	21	204
■ other	188	5	-4	-17	172
TOTAL	**355**	**21**	**-4**	**4**	**376**
Depreciation and impairment					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	-185	-46	1	-3	-233
■ software	-125	-18	0	-20	-163
■ other	-60	-28	1	17	-70
TOTAL	**-185**	**-46**	**1**	**-3**	**-233**
NET AMOUNT	**170**	**-25**	**-3**	**1**	**143**

Note 15 Goodwill

	12/31/2022	Increase	Decrease	Other	12/31/2023
Gross goodwill	33	0	0	0	33
Impairment	0	0	0	0	0
NET GOODWILL	**33**	**0**	**0**	**0**	**33**

Subsidiaries	12/31/2022	Increase	Decrease	Other	12/31/2023
Banque Transatlantique	6	-	-	-	6
Dubly Transatlantique Gestion	6	-	-	-	6
Crédit Mutuel Equity SCR	21	-	-	-	21
TOTAL	**33**	**0**	**0**	**0**	**33**

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 recoverable amount (value in use) is determined using the discounted future expected cash flow method.

To determine the value in use, the cash flows are based on business plans determined by the management over a maximum period of five years, then on projection of a flow to infinity according to a long-term growth rate.

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 observation of the sensitivity of the price in relation to the market in the case of a listed asset, or by analyst's estimate in non-listed assets. At December 31, 2023, the discount rate used was 10%.

NOTES TO THE BALANCE SHEET – LIABILITIES

Note 16 Financial liabilities at fair value through profit or loss

	12/31/2023	12/31/2022
Financial liabilities held for trading	17,426	18,354
Financial liabilities at fair value through profit or loss on option	145	156
TOTAL	**17,571**	**18,510**

Note 16a Financial liabilities held for trading

	12/31/2023	12/31/2022
Short sales of securities	769	1,365
■ Government securities	0	0
■ Bonds and other debt securities	176	646
■ Shares and other capital instruments	593	719
Debts in respect of securities sold under repurchase agreements	11,059	9,788
Trading derivatives	5,026	6,514
Other financial liabilities held for trading	572	687
TOTAL	**17,426**	**18,354**

Note 16b Financial liabilities at fair value through profit or loss on option

	12/31/2023			12/31/2022		
	Carrying amount	Amount due	Difference	Carrying amount	Amount due	Difference
Securities issued	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0
Interbank debt	84	84	0	133	133	0
Due to customers	61	61	0	23	23	0
TOTAL	**145**	**145**	**0**	**156**	**156**	**0**

Note 17 Netting of financial assets and liabilities

12/31/2023	Gross amounts of financial assets	Gross amounts offset in 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	8,139	-1,004	7,135	-4,288	0	-1,848	999
Pensions	21,069	-2,523	18,546	0	-18,243	-250	53
TOTAL	**29,208**	**-3,527**	**25,681**	**-4,288**	**-18,243**	**-2,098**	**1,052**

12/31/2023	Gross amounts of financial liabilities	Gross amounts offset in 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	7,627	-1,004	6,623	-4,199	0	-2,169	255
Pensions	23,628	-2,523	21,105	0	-20,909	-196	0
TOTAL	**31,255**	**-3,527**	**27,728**	**-4,199**	**-20,909**	**-2,365**	**255**

12/31/2022	Gross amounts of financial assets	Gross amounts offset in 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	13,290	-3,229	10,061	-5,315	0	-2,707	2,039
Pensions	20,364	-7,397	12,967	0	-12,612	-316	39
TOTAL	**33,654**	**-10,626**	**23,028**	**-5,315**	**-12,612**	**-3,023**	**2,078**

12/31/2022	Gross amounts of financial liabilities	Gross amounts offset in 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	10,894	-3,229	7,665	-5,306	0	-2,201	158
Pensions	22,879	-7,398	15,481	0	-15,178	-303	0
TOTAL	**33,773**	**-10,627**	**23,146**	**-5,306**	**-15,178**	**-2,504**	**158**

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 offsets under IAS 32.

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.

Note 18 Financial liabilities at amortized cost

Note 18a Due to central banks and credit institutions

	12/31/2023	12/31/2022
Central banks	**31**	**44**
Due to credit institutions	**96,258**	**105,739**
Current accounts	3,342	2,929
Borrowings	81,564	92,755
Other debt	3,392	4,229
Pensions	7,320	5,646
Related debt	640	180

Note 18b Due to customers at amortized cost

	12/31/2023	12/31/2022
Special savings accounts	54,871	58,536
■ demand	42,287	44,193
■ term	12,584	14,343
Related liabilities on savings accounts	0	0
Subtotal	**54,871**	**58,536**
Demand accounts	99,544	124,040
Term deposits and borrowings	72,512	39,425
Pensions	2,605	12
Other debt	6	14
Related debt	810	117
Subtotal	**175,477**	**163,608**
TOTAL	**230,348**	**222,144**

Note 18c Debt securities at amortized cost

	12/31/2023	12/31/2022
Certificates of deposit	43	51
Interbank certificates and negotiable debt instruments	23,026	20,286
Bonds	11,280	9,333
Non-preferred senior securities	0	0
Related debt	435	141
TOTAL	**34,784**	**29,811**

Note 18d Fair Value Hedged items

12/31/2023	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Debt securities	399	2	3
Due to credit institutions	26,237	0	1
Due to customers	24,770	-30	35
TOTAL	**51,406**	**-28**	**39**

12/31/2022	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Debt securities	399	0	0
Due to credit institutions	25,716	0	0
Due to customers	26,865	-12	0
TOTAL	**52,980**	**-12**	**0**

Note 19 Accruals and miscellaneous liabilities

	12/31/2023	12/31/2022
Accruals - Liabilities		
Accounts unavailable due to recovery procedures	398	337
Currency adjustment accounts	205	168
Accrued expenses	1,022	920
Deferred income	489	410
Other accruals	2,031	2,743
Subtotal	**4,145**	**4,578**
Other liabilities		
Lease obligations – Real estate	429	371
Securities settlement accounts	135	86
Outstanding amounts payable on securities	247	324
Miscellaneous creditors	852	795
Subtotal	**1,663**	**1,576**
TOTAL	**5,808**	**6,154**

Note 19a Lease liabilities by residual term

12/31/2023	D ≤ 1 year	1 year < D ≤ 3 years	3 years < D ≤ 6 years	6 years < D ≤ 9 years	D > 9 years	TOTAL
Lease obligations						
■ Real estate	65	125	145	68	26	429

12/31/2022	D ≤ 1 year	1 year < D ≤ 3 years	3 years < D ≤ 6 years	6 years < D ≤ 9 years	D > 9 years	TOTAL
Lease obligations						
■ Real estate	84	92	105	56	34	371

Note 20 Provisions and contingent liabilities

Note 20a Provisions

	12/31/2022	Additions for the year	Reversals for the year (utilized provisions)	Reversals for the year (surplus provisions)	Other changes	12/31/2023
Provisions for risks	**323**	**252**	**-31**	**-184**	**20**	**380**
On guarantee commitments	237	170	0	-131	1	277
of which 12-month expected losses (S1)	*48*	*39*	*0*	*-29*	*0*	*58*
of which expected losses at termination (S2)	*64*	*55*	*0*	*-47*	*0*	*72*
On financing commitments	61	55	-6	-44	-1	65
of which 12-month expected losses (S1)	*44*	*32*	*0*	*-29*	*1*	*48*
of which expected losses at termination (S2)	*17*	*13*	*0*	*-15*	*-2*	*13*
Provisions for taxes	4	0	0	0	-1	3
Provisions for claims and litigation	9	5	-5	-2	1	8
Provision for risk on miscellaneous receivables	12	22	-20	-7	20	27
Other provisions	**576**	**177**	**-2**	**-77**	**-67**	**607**
Provisions for mortgage saving agreements	87	1	0	-8	0	80
Provisions for miscellaneous contingencies	107	86	-2	-65	-47	79
Other provisions[1]	382	90	0	-4	-20	448
Provisions for retirement commitments	**295**	**70**	**-9**	**-5**	**-20**	**331**
TOTAL	**1,194**	**499**	**-42**	**-266**	**-67**	**1,318**

(1) Other provisions relate to provisions for French economic interest groups (SPV) totaling €447 million.

Note 20b Retirement and other employee benefits

	12/31/2022	Additions for the year	Reversals for the year	Other changes	12/31/2023
Defined-benefit plans not covered by pension funds					
Retirement benefits	201	53	-2	-14	238
Supplementary pensions	22	6	-8	1	21
Obligations for long service awards (other long-term benefits)	51	11	0	1	63
Subtotal	**274**	**70**	**-10**	**-12**	**322**
Supplementary defined-benefit pensions covered by pension funds					
Commitments to employees and retirees [1]	21	0	-4	-8	9
Subtotal	**21**	**0**	**-4**	**-8**	**9**
TOTAL	**295**	**70**	**-14**	**-20**	**331**

(1) The provisions covering shortfalls in pension funds relate to entities located abroad.

Defined-benefit plans: Main actuarial assumptions	12/31/2023	12/31/2022
Discount rate[1]	3.19%	3.40%
Expected increase in salaries	Minimum 2.7%	Minimum 1.0%

(1) The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the Iboxx index.

RETIREMENT BENEFITS

Change in actuarial debt	12/31/2022	Effect of discounting	Financial income	Cost of services rendered	Other changes	Change in actuarial gains and losses[1]	Payment to beneficiaries	Insurance contributions	12/31/2023
Commitments	182	6	-	9	-2	37	-13	-	219
Non-group insurance contracts and externally-managed assets	140	-	-6	-	-	0	-8	1	127
Subtotal of banks insured with ACMs	**42**	**6**	**6**	**9**	**-2**	**37**	**-5**	**-1**	**92**
Foreign entities	19	-	-	-	-	-	-	-	19
TOTAL	**61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**111**

(1) of which -€35 million for financial assumptions and -€1 million for demographic assumptions.

Additional information for French entities insured with ACMs

- The duration of the commitments is 18 years.
- A cost for services rendered of €9 million and a financial cost of €6 million is expected for the coming fiscal year.

SENSITIVITY ANALYSIS OF COMMITMENTS TO THE DISCOUNT RATE

Discount rate	2.90%	3.19%	3.90%
Commitments	233	219	206

RETIREMENT BENEFIT SCHEDULE

	Between 1 and 5 years	Between 6 and 10 years	Between 11 and 15 years	Between 16 and 20 years	Between 21 and 25 years	Between 26 and 30 years	Over 30 years	Total	Discounted total
Expected cash flows from IFCs	61	60	77	118	146	131	226	819	219

	12/31/2023			
Breakdown of fair value of plan assets	Debt securities	Equity instruments	Real estate	Other
Assets quoted on an active market	49%	38%	1%	4%
Assets not quoted on an active market	3%	2%	3%	0%
TOTAL	**52%**	**40%**	**4%**	**4%**

	12/31/2022			
Breakdown of fair value of plan assets	Debt securities	Equity instruments	Real estate	Other
Assets quoted on an active market	52%	36%	1%	2%
Assets not quoted on an active market	4%	2%	3%	0%
TOTAL	**56%**	**38%**	**4%**	**2%**

Assets are valued at fair value.

Defined contribution retirement commitments

Provisions for supplementary pensions

In the past, the group's French banks have set up supplementary defined benefit plans which are now closed.

The commitments of these plans for these banks amounted to €12 million at December 31, 2023, compared to €13 million at December 31, 2022.

The amount paid in respect of benefits amounted to -€2 million.

Capitalization contract taken out with ACMs

A supplementary defined-contribution pension contract has been put in place with the ACMs for the French entities that are members of the social base. Under this contract, these entities paid €33 million during the fiscal year.

Note 20c Provisions for risks arising from commitments on mortgage saving agreements

	12/31/2023	12/31/2022
Mortgage saving plans (PEL)		
Maturity between 0-4 years	764	712
Maturity between 4-10 years	1,744	6,982
Maturity > 10 years	7,831	3,901
TOTAL	**10,339**	**11,595**
Amounts outstanding under mortgage saving accounts (CEL)	841	781
TOTAL MORTGAGE SAVING AGREEMENTS (ACCOUNTS AND PLANS)	**11,180**	**12,376**

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	Opening	Net allocations/ reversals	Other changes	Closing
On mortgage saving accounts	0			0
On mortgage saving plans	87	-7		80
On loans under mortgage saving agreements	0			0
TOTAL	**87**	**-7**	**0**	**80**
Provisions for mortgage saving plans, by maturity				
Maturity between 0-4 years	2			6
Maturity between 4-10 years	15			5
Maturity > 10 years	70			69
TOTAL	**87**			**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 on PELs, the remuneration rate for CELs being akin 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.

The change in the provision is mainly due to the increase in market rates and the change in outstandings.

Note 21 Subordinated debt at amortized cost

	12/31/2023	12/31/2022
Participating loans	153	153
Perpetual subordinated debt	26	26
Other debt	3,112	3,112
Related debt	14	9
TOTAL	**3,305**	**3,300**

SUBORDINATED DEBT REPRESENTING MORE THAN 10% OF TOTAL SUBORDINATED DEBTS

	Issue Date	Issue Amount	Currency	Rate	Term
Participating loan	05/28/1985	€137m	EUR	(1)	(2)
Redeemable subordinated notes/TSR	03/24/2016	€414m	EUR	3 months EURIBOR +2.05%	03/24/2026
Redeemable subordinated notes/TSR	11/04/2016	€700m	EUR	3 months EURIBOR +1.70%	11/04/2026
Subordinated debt	12/16/2022	€1,000m	EUR	3 months EURIBOR +2.00%	12/16/2032

(1) 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).

(2) 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.

Note 22 Unrealized or deferred gains and losses

Note 22a Unrealized or deferred gains and losses

	12/31/2023	12/31/2022 restated
Unrealized or deferred gains or losses(1) relating to:		
■ translation adjustments	149	160
■ financial assets at fair value through recyclable equity – debt instruments	-121	-252
■ financial assets at fair value through non-recyclable equity – equity instruments	-69	-76
■ share of unrealized or deferred gains and losses of associates	81	3
■ actuarial gains and losses on defined benefit plans	-32	-34
TOTAL	**8**	**-199**

(1) Balances net of corporate tax.

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Note 22b Recycling of gains and losses recognized directly in shareholders' equity

	12/31/2023 Operations	12/31/2022 restated Operations
Translation adjustments		
Reclassification in income	0	0
Other movement	-11	71
Subtotal	**-11**	**71**
Revaluation of financial assets at FVOCI		
Reclassification in income	0	0
Other movement	138	-151
Subtotal	**138**	**-151**
Remeasurement of hedging derivatives		
Reclassification in income	0	0
Other movement	0	0
Subtotal	**0**	**0**
Actuarial gains and losses on defined benefit plans	2	26
Share of unrealized or deferred gains and losses of associates	78	-156
TOTAL	**207**	**-210**

Note 22c 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	71	0	71
Revaluation of financial assets at FVOCI	179	-41	138	-195	44	-151
Remeasurement of hedging derivatives	0	0	0	0	0	0
Actuarial gains and losses on defined benefit plans	-2	4	2	36	-10	26
Share of unrealized or deferred gains and losses of associates	91	-13	78	-221	66	-156
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**257**	**-50**	**207**	**-309**	**99**	**-210**

Note 23 Commitments given and received

Commitments given	12/31/2023	12/31/2022
Financing commitments	**50,725**	**51,916**
Commitments due to credit institutions	504	305
Commitments to customers	50,221	51,611
Guarantee commitments	**21,421**	**20,248**
Credit institution commitments	2,598	2,659
Customer commitments	18,823	17,589
Securities commitments	**2,863**	**2,309**
Securities acquired with option to repurchase	0	0
Other commitments given	2,863	2,309

Commitments received	12/31/2023	12/31/2022
Financing commitments	**234**	**244**
Commitments received from credit institutions	234	244
Commitments received from customers	0	0
Guarantee commitments	**96,760**	**95,695**
Commitments received from credit institutions	64,017	60,833
Commitments received from customers	32,743	34,862
Securities commitments	**655**	**1,872**
Securities sold with option to repurchase	0	0
Other commitments received	655	1,872

Securities sold under repurchase agreements	12/31/2023	12/31/2022
Assets sold under repurchase agreements	21,859	14,989
Related liabilities	20,836	15,391

Other assets given as collateral for liabilities	12/31/2023	12/31/2022
Loaned securities	0	390
Security deposits on market transactions	3,542	2,534
TOTAL	**3,542**	**2,924**

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 derivatives for which margin calls are paid when their fair value is negative. These amounts comprise the initial margins and those paid subsequently.

NOTES TO THE INCOME STATEMENT

Note 24 Interest income and expense

	12/31/2023		12/31/2022	
	Income	Expenses	Income	Expenses
Credit institutions and central banks[1]	5,361	-4,983	1,252	-1,350
Customers	6,711	-3,964	4,184	-1,034
■ of which finance leasing	650	-181	330	-46
■ of which lease obligations	-	-6	-	-5
Hedging derivatives	2,164	-1,331	586	-708
Financial assets at fair value through profit or loss	1,143	-729	633	-90
Financial assets at fair value through equity	853	0	267	0
Securities at amortized cost	95	0	29	0
Debt securities	0	-2,061	0	-606
Subordinated debt	0	-1	0	-1
TOTAL	**16,327**	**-13,069**	**6,951**	**-3,789**
of which interest income and expense calculated at the effective interest rate	*13,020*	*-11,010*	*5,732*	*-2,992*

(1) Including -€147 million impact of negative interest rates in income and €28 million increase in expenses for fiscal year 2022.

Note 25 Commissions

	12/31/2023		12/31/2022	
	Income	Expenses	Income	Expenses
Credit institutions	4	-7	3	-7
Customers	1,053	-12	1,001	-10
Securities	614	-113	651	-60
Derivative instruments	4	-8	7	-8
Currency transactions	19	-1	21	-1
Funding and guarantee commitments	76	-72	69	-83
Services provided	1,487	-564	1,454	-550
TOTAL	**3,257**	**-777**	**3,206**	**-719**

Note 26 Net gains on financial instruments at fair value through profit or loss

	12/31/2023	12/31/2022
Trading instruments	327	245
Instruments accounted for under the fair value option	20	32
Ineffective portion of hedges	4	34
On fair value hedges (FVH)	4	34
■ Change in the fair value of hedged items	1,614	-3,352
■ Change in fair value of hedging instruments	-1,610	3,386
Foreign exchange gains/(losses)	121	44
Other financial instruments at fair value through profit or loss[1]	331	407
TOTAL CHANGES IN FAIR VALUE	**803**	**762**

(1) of which €254 million came from private equity business as at December 31, 2023, compared to €350 million as at December 31, 2022.

Note 27 Net gains or losses on financial assets at fair value through shareholders' equity

	12/31/2023	12/31/2022
Dividends	3	2
Realized gains and losses on debt instruments	-140	-152
TOTAL	**-137**	**-150**

Note 28 Income/expenses generated by other activities

	12/31/2023	12/31/2022
Income from other activities		
Investment property:	0	0
■ reversal of provisions/depreciation	0	0
■ capital gains on disposals	0	0
Rebilled expenses	91	88
Other income	130	133
Subtotal	**221**	**221**
Expenses on other activities		
Investment property:	-2	-2
■ additions to provisions/depreciation	-2	-2
■ capital losses on disposals	0	0
Other expenses	-165	-153
Subtotal	**-167**	**-155**
NET TOTAL OF OTHER INCOME AND EXPENSES	**54**	**66**

Note 29 General operating expenses

	12/31/2023	12/31/2022
Employee benefits expense	-2,097	-1,973
Other general operating expenses	-1,452	-1,381
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	-243	-204
TOTAL	**-3,792**	**-3,558**

Note 29a Employee benefit expense

	12/31/2023	12/31/2022
Wages and salaries	-1,247	-1,244
Social security contributions	-567	-415
Short-term employee benefits	0	0
Employee profit-sharing and incentive schemes	-134	-165
Payroll-based taxes	-151	-146
Other	2	-3
TOTAL	**-2,097**	**-1,973**

Note 29b Average workforce

	12/31/2023	12/31/2022
Bank technical staff	9,977	10,029
Managers	9,511	9,261
TOTAL	**19,488**	**19,290**
France	*17,563*	*17,427*
Rest of the world	*1,925*	*1,863*

Note 29c Other general operating expenses

	12/31/2023	12/31/2022
Taxes and duties[1]	-240	-294
Leases		
■ short-term asset leases	-21	-26
■ low value/substitutable asset leases[2]	-51	-53
■ other leases	-4	-3
Other external services	-1,175	-1,038
Other income and expenses	39	33
TOTAL	**-1,452**	**-1,381**

(1) The entry "Taxes and duties" includes an expense of -€149 million as part of the contribution to the Single Resolution Fund on December 31, 2023, compared to -€187 million on December 31, 2022.

(2) Includes IT equipment.

Note 29d Fees paid to the statutory auditors

	12/31/2023					
Amount excluding taxes	**PricewaterhouseCoopers**		**Ernst & Young et Autres**		**KPMG**	
Audit of the accounts						
■ Issuer	0.51	19%	0.51	29%	0.51	13%
■ Fully consolidated subsidiaries	1.46	55%	0.70	38%	2.67	69%
Non-audit services	-	-	-	-	-	-
■ Issuer	0.05	2%	0.05	3%	0.05	1%
■ Fully consolidated subsidiaries	0.64	24%	0.55	30%	0.68	17%
TOTAL	**2.66**	**100%**	**1.81**	**100%**	**3.91**	**100%**
Of which fees paid to the statutory auditors in France for the statutory audit of the financial statements	*1.49*	-	*1.13*	-	*1.44*	-
Of which fees paid to the statutory auditors in France for non-audit services	*0.05*	-	*0.05*	-	*0.05*	-

The main types of non-audit services concern certifications and agreed procedures.

	12/31/2022					
Amount excluding taxes	**PricewaterhouseCoopers**		**Ernst & Young et Autres**		**KPMG**	
Audit of the accounts						
■ Issuer	0.47	23%	0.48	26%	0.47	11%
■ Fully consolidated subsidiaries	1.31	65%	0.61	33%	2.55	60%
Non-audit services	-	-	-	-	-	-
■ Issuer	0.05	3%	0.05	3%	0.05	1%
■ Fully consolidated subsidiaries	0.19	9%	0.72	38%	1.18	28%
TOTAL	**2.02**	**100%**	**1.86**	**100%**	**4.25**	**100%**
Of which fees paid to the statutory auditors in France for the statutory audit of the financial statements	*1.49*	-	*1.01*	-	*1.38*	-
Of which fees paid to the statutory auditors in France for non-audit services	*0.05*	-	*0.05*	-	*0.05*	-

The above amounts correspond to the amounts recognized as expenses during the fiscal year.

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Note 29e Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets

	12/31/2023	12/31/2022
Depreciation and amortization:	-217	-205
■ property, plant and equipment	-196	-184
including usage rights	*-103*	*-91*
■ intangible assets	-21	-21
Impairment:	-26	1
■ property, plant and equipment	0	0
■ intangible assets	-26	1
TOTAL	**-243**	**-204**

Note 30 Cost of counterparty risk

	12/31/2023	12/31/2022
■ 12-month expected losses (S1)	9	-106
■ Expected losses at termination (S2)	85	351
■ Impaired assets (S3)	-562	-204
TOTAL	**-468**	**41**

12/31/2023	Allowances	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-291**	**300**	**-**	**-**	**-**	**9**
■ Loans and receivables due from credit institutions at amortized cost	-2	3	-	-	-	1
■ Customer loans at amortized cost	-196	218	-	-	-	22
of which finance leases	*-24*	*24*	-	-	-	*0*
■ Financial assets at amortized cost – securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-21	20	-	-	-	-1
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-71	58	-	-	-	-13
Expected losses at termination (S2)	**-429**	**514**	**-**	**-**	**-**	**85**
■ Loans and receivables due from credit institutions at amortized cost	0	0	-	-	-	0
■ Customer loans at amortized cost	-361	452	-	-	-	91
of which finance leases	*-34*	*39*	-	-	-	*5*
■ Commitments given	-68	62	-	-	-	-6
Impaired assets (S3)	**-910**	**488**	**-131**	**-19**	**10**	**-562**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans at amortized cost	-800	419	-131	-19	10	-521
of which finance leases	*-3*	*5*	*-3*	*-2*	*1*	*-2*
■ Financial assets at amortized cost – securities	0	1	0	0	0	1
■ Financial assets at fair value through equity – Debt securities	-3	0	0	0	0	-3
■ Commitments given	-107	68	0	0	0	-39
TOTAL	**-1,630**	**1,302**	**-131**	**-19**	**10**	**-468**

12/31/2022	Allowances	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-312**	**206**	**-**	**-**	**-**	**-106**
■ Loans and receivables due from credit institutions at amortized cost	-3	2	-	-	-	-1
■ Customer loans at amortized cost	-231	143	-	-	-	-88
of which finance leases	*-26*	*16*	-	-	-	*-10*
■ Financial assets at amortized cost – securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-9	5	-	-	-	-4
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-68	55	-	-	-	-13
Expected losses at termination (S2)	**-518**	**869**	**-**	**-**	**-**	**351**
■ Loans and receivables due from credit institutions at amortized cost	0	0	-	-	-	0
■ Customer loans at amortized cost	-445	708	-	-	-	263
of which finance leases	*-39*	*37*	-	-	-	*-2*
■ 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	-70	155	-	-	-	85
Impaired assets (S3)	**-570**	**544**	**-173**	**-17**	**12**	**-204**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans at amortized cost	-509	492	-173	-17	12	-195
of which finance leases	*-4*	*4*	*-2*	*-1*	*1*	*-2*
■ Financial assets at amortized cost – securities	0	9	0	0	0	9
■ Financial assets at fair value through equity – Debt securities	0	0	0	0	0	0
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-61	43	0	0	0	-18
TOTAL	**-1,400**	**1,619**	**-173**	**-17**	**12**	**41**

Note 31 Net gains and losses on other assets

	12/31/2023	12/31/2022
Property, plant and equipment and intangible assets	-4	-4
Capital losses on disposals	-7	-16
Capital gains on disposals	3	12
Gains/(losses) on disposals of shares in consolidated entities	239	12
TOTAL	**235**	**8**

Note 32 Income tax

	12/31/2023	12/31/2022
Current taxes	-570	-561
Deferred tax expense/income	14	-101
Adjustments in respect of prior years	-8	13
TOTAL	**-564**	**-649**

Of which -€467 million for securities in companies located in France and -€97 million for companies located outside France.

RECONCILIATION BETWEEN THE INCOME TAX EXPENSE RECOGNIZED AND THE THEORETICAL INCOME TAX EXPENSE

	12/31/2023	12/31/2022
Theoretical tax rate	25.8%	25.8%
Impact of specific SCR schemes	-2.9%	-2.9%
Impact of reduced rate on long-term capital gains	-2,8%	-0.4%
Impact of permanent differences	2.3%	2.1%
Impact of tax provisions	1.9%	-0.1%
Impact of the tax consolidation effect	-0.7%	-0.7%
Impact of different tax rates paid by foreign subsidiaries	-0.5%	-0.6%
Impact of changes in tax rates	0.5%	0.0%
Impact of tax credits	-0.7%	-0.2%
Impact of corrections relating to prior fiscal years	0.0%	0.0%
Other	0.3%	0.0%
EFFECTIVE TAX RATE	**23.2%**	**23.0%**
Taxable result	2,433	2,818
INCOME TAX EXPENSE	**-564**	**-649**

Note 33 Earnings per share

	12/31/2023	12/31/2022 restated
Group net income	1,986	2,291
Number of shares at beginning of year	38,009,418	38,009,418
Number of shares at end of year	38,009,418	38,009,418
Weighted average number of shares	38,009,418	38,009,418
BASIC EARNINGS PER SHARE (IN €)	**52.24**	**60.26**
Weighted average number of shares that may be issued	0	0
DILUTED EARNINGS PER SHARE (IN €)	**52.24**	**60.26**

CIC's share capital amounts to €611,858,064 made up of 38,241,129 shares with a par value of €16 each, including 231,711 treasury shares.

Note 34 Fair value hierarchy of financial instruments carried at amortized cost or at cost on the balance sheet

The financial instruments presented in this section include loans and borrowings. They do not include non-monetary items (shares), supplier accounts, other asset and liability accounts, or 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 variable 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
Assets					
■ Financial assets at amortized cost	332,808	349,141	1,829	99,488	231,491
Loans and receivables due from credit institutions	91,559	92,949	0	91,559	0
Loans and receivables due from customers[1]	237,300	252,182	0	5,972	231,328
Securities	3,949	4,010	1,829	1,957	163
Liabilities					
■ Due to credit institutions	96,789	96,258	0	96,789	0
■ Due to customers	230,779	230,348	0	97,843	132,936
■ Debt securities	34,568	34,784	0	22,849	11,719
■ Subordinated debt	3,380	3,305	0	3,380	0

(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				
	Market value	Carrying amount	Level 1	Level 2	Level 3
Assets					
■ Financial assets at amortized cost	327,305	350,454	1,887	111,021	214,398
Loans and receivables due from credit institutions	105,003	106,894	0	105,004	0
Loans and receivables due from customers	218,853	240,002	0	4,603	214,250
Securities	3,449	3,558	1,887	1,414	148
Liabilities					
■ Due to credit institutions	105,101	105,739	0	105,101	0
■ Due to customers	221,434	222,144	0	122,482	98,952
■ Debt securities	29,815	29,811	0	20,207	9,608
■ Subordinated debt	3,370	3,300	0	3,370	0

Note 35 Outstandings on related party transactions

	12/31/2023		12/31/2022	
	Associates (companies accounted for using the equity method)	Parent company	Associates (companies accounted for using the equity method)	Parent company
Assets				
■ Financial assets at fair value through profit or loss	182	24	185	26
■ Financial assets at FVOCI	0	0	0	0
■ Financial assets at amortized cost	3,128	26,691	59	24,098
■ Other assets	0	41	18	10
Liabilities				
■ Due to credit institutions	277	74,780	451	86,242
■ Liabilities at fair value through profit or loss	40	4	11	37
■ Due to customers	2,649	199	41	69
■ Debt securities	2,475	1,006	2,360	1,200
■ Subordinated debt	0	3,264	0	3,260
Off-balance sheet				
■ Financing commitments given	0	7	0	11
■ Guarantees commitments given	0	10	0	45
■ Financing commitments received	0	0	0	3
■ Guarantees commitments received	0	8,687	0	7,179
	12/31/2023		12/31/2022	
■ Interest income	112	1,930	8	667
■ Interest expense	-128	-3,895	-15	-1,004
■ Commission income	519	115	594	24
■ Commission expense	-25	-170	-16	-145
■ Net gains/(losses) on financial assets at FVOCI and FVPL	153	7	141	26
■ Other income and expenses	0	-6	1	-8
■ General operating expenses	-78	-624	-67	-569

The parent company consists of BFCM, CIC's majority shareholder, Caisse Fédérale de Crédit Mutuel (CFCM), which controls BFCM, and all their subsidiaries.

Relations with the parent company consist primarily of loans and borrowing as part of cash flow management, BFCM being the body for the group's refinancing and IT services invoiced with the Euro-Information entities.

The company consolidated by the equity method is Groupe des Assurances du Crédit Mutuel.

Relations with the group's key executives

TOTAL COMPENSATION PAID TO KEY EXECUTIVES

	Wages fixed portion	Wages variable portion	Benefits in kind	Miscellaneous reinstatements	Total 12/31/2023	Total 12/31/2022
Key executives	0	0	0	0	0	0

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 CIC was allocated to them. In addition, they do not receive attendance fees in respect of their functions within the group.

The group's key executives may hold assets or loans with the CIC group's banks, under the conditions offered to all employees. As of December 31, 2023, there were no loans of this nature.

Note 36 Risk exposure

The information on risk exposure as required by IFRS 7 is given in Chapter 5: Risks in the management report.

Note 37 Dividends

Crédit Industriel et Commercial plans to pay €993 million, *i.e* €25.96per share.

Note 38 Events after the reporting period and other information

The consolidated financial statements of the Crédit Industriel et Commercial group for the year ended December 31, 2023 were approved by the Board of Directors on February 7, 2024.

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6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal 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 CIC 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 of 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 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 CIC.

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

<table>
<tr><th>Identified risk</th><th>Our response</th></tr>
<tr><td>
CIC banks are exposed to credit risks inherent in their activities, particularly with regard to customer loans.

In this respect and as indicated in note 1.3.1.1.1 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 twelve months and maturity;
For non-performing loans (stage 3), 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.

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 CIC to exercise greater judgment and take into account assumptions, 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);
Estimate the amount of credit losses for the various stages.

As presented in note 9 to the consolidated financial statements, at December 31, 2023, the total gross amount of customer loans outstanding amounted to €255,787 million and the total amount of impairment was €3,605 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 tensions on commodities and energy, inflation and a 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 audit matter.
</td><td>
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 weighting methods of 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 considered as key 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 a 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.
</td></tr>
</table>

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. paragraph "3.1.1.1. 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 7c "Hierarchy of the fair value of financial instruments assessed at fair value carrying amount" in the notes 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 €24,554 million in assets and €16,317 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 7c "Hierarchy of the fair value of financial instruments assessed at fair value carrying amount" in the notes to the consolidated financial statements.

VALUATION OF COMPLEX INVESTMENTS OR INVESTMENTS ACCOUNTED FOR IN LEVEL 3 OF THE PRIVATE EQUITY DIVISION

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". 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 updated our understanding of the process for the valuation of equity investments by interviewing Management and we tested the controls put in place by your group associated with the valuation of 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. Finally, we have assessed the appropriate nature of the information provided 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 regard to consolidated financial statements, our diligence included the verification of the tagging of these financial statements in the format defined by the above 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 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 in the same way as 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 Crédit Industriel et Commercial – CIC by your Shareholders' Meetings of May 25, 2016 for the firm KPMG S.A., of May 25, 1988 for the firm PricewaterhouseCoopers Audit and of May 26, 1999 for the firm ERNST & YOUNG et Autres.

As of December 31, 2023, KPMG S.A. was in the eighth year of its uninterrupted mission, PricewaterhouseCoopers Audit was in the thirty-sixth year and ERNST & YOUNG et Autres in the twenty-fifth 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

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 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 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

ERNST & YOUNG et Autres	KPMG S.A		PricewaterhouseCoopers Audit
Vanessa Jolivalt	Sophie Sotil-Forgues	Arnaud Bourdeille	Laurent Tavernier
Partner	*Partner*	*Partner*	*Partner*

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CIC student loans are designed for anyone ready to venture forth: students, apprentices and employees in training or retraining.

ANNUAL FINANCIAL STATEMENTS

7.1 FINANCIAL STATEMENTS

7.1.1 Assets

ASSETS

(in € millions)	Notes	12/31/2023	12/31/2022
Cash and central banks		40,574	59,415
Government and equivalent securities	2	4,056	4,157
Receivables on credit institutions	3	31,022	30,635
Customer transactions	4	64,321	59,065
Bonds and other fixed-income securities	5	22,136	18,942
Shares and other variable-income securities	6	1,575	854
Equity investments and other securities held long-term	7	123	121
Investments in subsidiaries and associates	8	6,314	6,303
Finance leasing and equivalent transactions		-	-
Intangible fixed assets	9.	57	57
Property, plant and equipment	10	507	476
Capital subscribed not paid		-	-
Treasury shares	11	10	10
Other assets	12	5,848	6,090
Accruals	13	5,772	6,744
TOTAL ASSETS		**182,314**	**192,869**

7.1.2 Off-balance sheet assets

(in € millions)	Notes	12/31/2023	12/31/2022
Commitments received			
Financing commitments			
Commitments received from credit institutions		224	199
Guarantee commitments			
Commitments received from credit institutions		57,156	14,491
Securities commitments			
Securities sold with option to repurchase		-	-
Other commitments received		655	1,872

7.1.3 Liabilities

(in € millions)	Notes	12/31/2023	12/31/2022
Central banks		3	-
Due to credit institutions	14	64,157	80,547
Customer transactions	15	61,791	59,240
Debt securities	16	30,658	26,263
Other liabilities	12	3,033	3,994
Accruals	13	6,179	8,190
Provisions	17	1,226	1,246
Debt securities	18.	2,588	2,584
Funds for general banking risks	19	379	379
Shareholders' equity	19	12,301	10,427
Capital		612	612
Issue premiums		1,172	1,172
Reserves		8,368	7,168
Revaluation differences		44	44
Regulated earnings		65	63
Retained earnings		168	100
Profit (loss) for the period		1,871	1,268
TOTAL LIABILITIES		**182,314**	**192,869**

7.1.4 Off-balance sheet liabilities

(in € millions)	Notes	12/31/2023	12/31/2022
Commitments given			
Financing commitments			
Liabilities due to credit institutions		250	238
Commitments to customers		29,545	27,678
Guarantee commitments	**22**		
Credit institution commitments		3,898	3,758
Customer commitments		11,811	11,360
Securities commitments			
Securities acquired with option to repurchase		-	-
Other commitments given		2,853	1,949

7.1.5 Income statement

(in € millions)	Notes	12/31/2023	12/31/2022
+ Interest and similar income	27	9,380	3,099
+ Interest and similar expenses	27	-8,326	-2,272
+ Income from variable-income securities	28	1,002	1,085
+ Commissions (income)	29	690	656
+ Commissions (expenses)	29	-275	-212
+/- Profit/loss on the trading portfolio	30	662	295
+/- Profit/loss on transactions on short-term investment portfolio and similar	31	-86	-264
+ Other banking income	32	80	56
+ Other banking expenses	32	-20	-10
+/- Net income from other activities	32	0	0
= Net revenue		**3,108**	**2,434**
+ Employee benefit expense	33	-519	-455
+ Other administrative expenses		-448	-438
+ Additions to depreciation		-28	-28
= Operating expenses		**-995**	**-921**
= Gross operating income		**2,113**	**1,513**
+ Cost of risk	34	-238	-108
= Operating income		**1,875**	**1,405**
+/- Profit or loss on non-current assets	35	241	-16
= Current profit/loss		**2,116**	**1,388**
+/- Extraordinary profit/loss	36	6	2
+ Income tax	37	-249	-120
+/- FGBR additions/reversals		-	-
+/- Additions/reversals to regulated provisions		-2	-2
= NET INCOME		**1,871**	**1,268**

7.1.6 Financial results over the last five fiscal years

Type of indications	2019	2020	2021	2022	2023
1. Financial position for the period					
Share capital	608,439,888	611,858,064	611,858,064	611,858,064	611,858,064
Total number of shares issued	38,027,493	38,241,129	38,241,129	38,241,129	38,241,129
"A" shares or ordinary shares	38,027,493	38,241,129	38,241,129	38,241,129	38,241,129
"D" shares or preferred shares	-	-	-	-	-
Preferred investment certificates	-	-	-	-	-
Ordinary investment certificates	-	-	-	-	-
2. Overall result of actual operations *(in € thousands)*					
Banking income	3,771,642	2,967,368	2,783,927	4,927,869	11,727,785
Income before tax, depreciation and amortization	1,900,944	1,023,093	1,091,037	1,433,101	2,270,452
Provisions and non-recurring income	-	-	-	-	-
Income tax	-18,794	-42,875	-83,285	-119,843	-248,561
Profit	1,823,285	918,466	1,086,687	1,268,197	1,871,304
Amount of profits distributed	1,049,939	496,370	1,051,631	0	0
3. Results of operations reduced to one share *(in €)*					
Profit/(loss) after tax, but before depreciation, amortization and provisions	49.80	25.79	26.51	34.55	53.19
Net profit or loss	48.24	24.16	28.59	33.37	49.23
Dividend paid for each "A" share	27.61	12.98	27.50	0.00	25.96
Dividend paid for each "D" share and investment certificates					
4. Employees (Mainland) *(in €)*					
Number of employees (average workforce FTE)	4,139	4,163	4,050	3,951	3,916
Amount of the payroll expense	229,340,756	225,341,153	232,322,735	231,524,832	245,131,289
Amount paid for employee benefits (Social Security, Social Works, etc.)	115,198,884	110,897,962	114,884,926	113,395,392	122,340,946

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7.2 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Summary of notes

Explanatory notes are presented in millions of euros.

Note 1 Accounting principles, methods of assessment and presentation

The annual financial statements are prepared in accordance with ANC Regulation 2014-03 relating to the general accounting plan as amended by ANC Regulation 2015-06 and Regulation 2014-07 relating to the financial statements of companies in the banking sector.

Crédit Industriel et Commercial – CIC is fully consolidated in the consolidated financial statements of CIC (as parent company) and Crédit Mutuel Alliance Fédérale.

Macroeconomic and geopolitical context

The Crédit Industriel et Commercial 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 Crédit Industriel et Commercial 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.

Use of estimates in the preparation of financial statements

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 notably the case:

- of depreciation of debt and equity instruments;
- of impairment tests performed on intangible assets;
- when determining provisions, including commitments for pension plans and other future employee benefits;
- of valuations of financial instruments not listed on an organized market.

Reclassification of financial assets

Reclassification outside the category of trading securities towards the categories of long-term investment securities and short-term investment securities is possible in the following two cases:

a) in exceptional market situations requiring a change of strategy;

b) when following their acquisition fixed-income securities are no longer tradable on an active market and if the establishment has the intention and ability to hold them for the foreseeable future or until maturity.

Treatment of changes in accounting policy

Changes in accounting policies are applied retrospectively, *i.e.* as if this principle had always been applied. The impact of first-time application is charged to shareholders' equity as of January 1, correcting the opening balance sheet.

In accordance with ANC Regulation 2015-06, for fiscal years beginning on or after January 1, 2016, the technical loss is no longer recognized in full under "goodwill" and not amortized.

It is recognized in the balance sheet by category of asset under other property, plant and equipment, intangible assets and financial assets.

This allocation makes it possible to apply the depreciation rules of the underlying assets to the technical loss (the loss allocated in whole or in part to a depreciable asset is now fully or partially amortized). On the other hand, the portion of the loss allocated to goodwill is still presumed not to be amortized.

Loans and receivables

Receivables on credit institutions and customers are booked to the balance sheet at their nominal value plus accrued interest not yet due.

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.

Related accruals (accrued or outstanding interest due or payable) are combined with the corresponding asset and liability items.

Within all credit risks, a distinction is made between performing, non-performing and irrevocable non-performing loans.

The monitoring of receivables is based on the Crédit Mutuel group's internal credit risk rating system. The latter considers the probability of default of the counterparty using an internal rating and the loss rate according to the nature of the exposure. The scale of internal ratings comprises 12 levels, nine of which are for performing counterparties and three for non-performing counterparties.

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 to non-performing loans in the following cases:

- 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.

With regard to non-performing loans to real estate professionals, the application of these rules means that the market value of buildings financed in the real estate sector is taken into account. Similarly, the calculation of the provisioning of real estate development transactions takes into account the additional financial costs incurred by the developer, due to the possible slowdown in the marketing of the programs.

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. When they are significant, non-performing loans 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.

Segmentation of outstandings

Outstandings are presented in the notes to the financial statements according to the criteria of a breakdown by geographical segment. These represent the locations of CIC’s fixed institutions.

Special savings accounts

The regulations governing special savings accounts (Livret Bleu passbook accounts, Livret A passbook accounts, sustainable development and solidarity passbook accounts) require credit institutions to pay part of this inflow into the Caisse des dépôts et consignation (CDC) savings fund. This centralization of deposits then results in a receivable from the CDC savings fund.

As of December 31, 2020, in the summary statements, the amount of the receivable on the CDC savings fund is no longer recorded under “Receivables on credit institutions” on the assets side of the balance sheet, but is instead presented as a deduction from outstanding customer deposits collected by the institution under the Livret A passbook account, the LDDS and the LEP passbook account appearing in its liabilities.

Security trades

Government notes, bonds and other fixed-income securities (interbank market securities, negotiable debt securities, marketable securities) are divided into trading, short-term investment or long-term investment securities; and shares and other variable-income securities are divided into trading, short-term investment, portfolio, equity, shares in the portfolio and other long-term securities. Acquisition and disposal costs are an expense for the fiscal year.

Trading securities

These are securities that were originally acquired or sold with the intention of reselling them or repurchasing them in the short term or held by the institution as a result of its activity as a market maker. They are recorded on the acquisition date and at their acquisition price excluding fees, including any accrued interest. At each balance sheet date, the securities held are valued at the market price of the most recent day. The overall balance of differences resulting from changes in price is recognized in the income statement as income or expenses.

Short-term investment securities

These are securities that are not recorded among trading securities, long-term investment securities or other long-term securities, equity securities or shares in the portfolio. They are recognized at their purchase price, excluding purchase costs. Any premiums or discounts are spread over their residual term.

At the end of the fiscal year, each line is estimated separately and, for bonds, the securities are grouped into homogeneous groups. When the carrying amount appears higher than the probable trading value, a write-down is accounted for in the amount of the unrealized loss, this calculation being made value by value or by homogeneous group.

Gains arising from hedges, within the meaning of Article 2514-1 of the ANC 2014-07, in the form of purchases or sales of forward financial instruments, are taken into account for the calculation of impairments.

Unrealized capital gains are not recognized and there is no offsetting between unrealized capital gains and losses. The probable trading value is, for shares listed in Paris, the average price of the last month and for shares listed abroad and bonds, the most recent price of the last month.

Long-term investment securities

These are securities acquired with the clear intention of holding them until maturity. They are recorded at their purchase price, excluding purchase costs. The difference between the purchase price and the redemption value is spread over their residual maturity. These securities are hedged in terms of resources or interest rates.

An impairment loss is recognized when the deterioration in the financial position of the Issuers is likely to jeopardize the repayment of the securities at maturity.

Securities relating to portfolio activity

They come from investments made on a regular basis with the sole objective of generating a medium-term capital gain with no intention of making a long-term contribution to the business or actively participating in its operational management. These investments are made within the framework of dedicated structures, on a significant and permanent basis and the profitability comes mainly from the realization of capital gains on sale.

These securities are recorded at their purchase price. 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 value in use is determined taking into account the Issuer's general prospects and the holding period. For listed securities, the average share price over a sufficiently long period may be used.

Other long-term investments, equity investments and investments in subsidiaries and 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 are those whose long-term ownership is deemed useful for the group's activity, in particular because it enables it to exercise influence over the Issuer, or to ensure control.

They are recorded at their purchase price, which may be revalued, or at their cost of merger and similar transactions. 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.

Securities given under repurchase agreements delivered

They are maintained on the assets side of the balance sheet and the debt to the transferee is recorded as a liability. The principles for measuring and recognizing income from these securities remain those applicable to the category to which they belong.

Downgrading criteria and rules

In the event of a change in the intention or holding capacity, and provided that they meet the eligibility conditions and transfer rules, the securities may be downgraded. In the event of transfer, the securities are subject to a valuation on the day of the transfer according to their original portfolio.

Derivatives: interest rate and exchange rate forward instruments

The group performs proprietary trading on various organized and over-the-counter markets in interest rate and foreign exchange forward instruments in accordance with its strategy of managing the risks associated with the interest rate and exchange rate positions of its assets and liabilities.

Transactions on organized and equivalent markets

Contracts on forward financial instruments or contracts traded on organized and equivalent markets are valued in accordance with the rules set by the Banking Regulation Committee. Contracts are revalued at the end of the reporting period according to their scoring on the various markets. The gain or loss resulting from this revaluation is booked to the income statement.

Over-the-counter market transactions

In particular, interest rate and/or currency-rate swaps, forward rate agreements (FRA), option contracts (*e.g.* cap, floor, etc.). Transactions are allocated from the outset in the various portfolios (open position, micro-hedging, overall balance sheet and off-balance sheet management, specialized management).

Contracts classified as open position portfolios are valued at the lower of their purchase price or their market value.

Income and expenses relating to contracts classified in micro-hedging portfolios are recognized in the income statement in a symmetrical manner to the recognition of the hedged item.

Income and expenses relating to contracts classified in the overall management of interest rate risk portfolios are recognized *prorata temporis* in the income statement.

Contracts registered in the specialized management portfolios are valued at market value. Changes in value are booked to net revenue after adjustment for counterparty risk and future management fees.

Payments of netting hedging derivatives are spread over the residual term of the hedged items.

Structured products

Structured products are financial packages offered to customers to meet their needs more precisely. They are built from basic products, generally options. CIC markets various categories of structured products based on traditional options, binary options, barrier options, Asian options, look back options, options on several assets, index swaps.

There are three main categories of valuation of these products: partial differential equation solving, discrete time tree solving and Monte Carlo solving. CIC uses the first and the last. The analytical methods applied are those used by the market for the modeling of the underlying assets used.

Income is recognized at market value. The parameters used for the valuation are those observed or deduced using a standard model of the values observed at the closing date. If there is no organized market, the values used are taken from the most active brokers for the corresponding products and/or extrapolated from the listed securities. All parameters used are logged.

Where the valuation of certain instruments is based on complex models, the market parameters used as a basis for their valuation are prudently adjusted to take into account, in particular, the level of liquidity of the markets concerned and their relevance over long maturities.

Valuation of non-listed forward financial instruments

These instruments are revalued on the basis of prices observable in the market, according to the so-called flashing procedure. The latter method consists of recording the prices offered and requested from several contributors every day at the same time using market flow software. A single price is used for each useful market parameter.

Property, plant and equipment and intangible assets

They are recognized at their acquisition cost, which may be revalued, 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.

The depreciable or amortizable amount is determined after deducting its residual value, net of disposal costs. As the useful life is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized on a straight-line basis over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Those with an indefinite useful life are not amortized. Depreciation charges are recognized under the item "Depreciation, amortization and impairment of property, plant and equipment and intangible assets" in the income statement.

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.

Depreciation periods for buildings are:

- 40-80 years for structural works;
- 15-30 years for closed and covered;
- 10-25 years for equipment;
- 10 years for fixtures and fittings.

Intangible assets:

- lease rights paid are not amortized but are subject to an impairment test;
- The initial charge paid to the owner is amortized over the term of the lease as an additional rent;
- other business goodwill items are amortized over 10 years (acquisition of customer contract portfolios).

Depreciable amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-depreciable assets are tested for impairment 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. Impairment charges are recognized under the item "Depreciation, amortization and impairment of property, plant and equipment and intangible assets" in the income statement.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains on other assets".

Gains and losses on the disposal of investment property are recorded on the income statement on the line "Income from other activities" or "Expenses on other activities".

Accruals

Issuance costs for borrowings issued until December 31, 1999 are amortized during the fiscal year of issue and, for issues subsequent to this date, are spread over the life of the loan.

Bond redemption premiums are amortized on a straight-line basis over the term of the loan.

Provisions for impairment

Provisions and reversals of provisions are classified by type under the corresponding item of expenditure.

Provisions are valued at the amount corresponding to the best estimate of the outflow of resources required to settle the obligation determined as being the most probable assumption.

Provisions for country risks

Created to cover sovereign risks as well as risks on emerging countries, they were determined according to the economic situation of the borrowing countries. The affected portion of these provisions is deducted from the corresponding assets.

General provisions for credit risk (PGRC)

Since fiscal year 2000, general provisions for credit risks have been set up to cover risks arising but not yet proven on performing loans and commitments given to customers.

They are determined:

- for credit activities other than specialized lending, by an average cost of risk such that it can be apprehended from a long-term perspective, *i.e.* 0.5% of performing receivables from customers;
- for the specialized lending business as well as for foreign branches, by a cost of risk obtained from the rating of receivables to which is associated an average cost of default. This method makes it possible to take into account the lesser dispersion of risks, the unitary importance of the projects and therefore greater volatility.

These general provisions for credit risk will be reversed if the occurrences they are intended to cover materialize.

Since fiscal year 2003, they may include a general provision for the major risks of the group.

Regulated savings contracts

Mortgage saving accounts (CEL) and mortgage saving plans (PEL) are regulated products available to customers (natural persons) that combine an interest-bearing savings phase giving entitlement to a mortgage loan in a second phase. They generate for the distributor institution two types of commitments:

- future compensation from savings at a fixed rate (only on PELs, the remuneration rate for CELs being akin to a variable rate, periodically revised based on an indexation formula);
- a loan agreement with customers who request it, under predefined conditions (PEL and CEL).

When these commitments are potentially unfavorable, provisions are made. These cover the commitments on contracts existing at the date of the determination of the provision; future openings of mortgage saving plans and accounts are not taken into account.

Future outstandings related to mortgage saving agreements are estimated based on customer behavioral statistics in a given interest rate environment. PELs that are subscribed to as part of a global offer of related products and that do not meet the aforementioned behavioral laws are excluded from the projections. Provisions at risk are made up of:

- for PEL deposits, the difference between the probable savings outstandings and the minimum expected savings. The latter are determined with a confidence level of 99.5% on the basis of several thousand different rate scenarios;
- for mortgage savings loans, future volumes depending on the probable realization of acquired rights and loans already in force.

Future losses are valued in relation to the unregulated rates of term deposits for savings and ordinary home loans for loans. This approach is carried out by homogeneous generation of PELs and CELs in terms of regulated conditions, with no offsets between the different generations. The losses thus determined are discounted using the rates deducted from the average of the last 12 months of the zero coupon swap curve against 3-month EURIBOR. The amount of provisions is based on the average loss recorded from several thousand interest rate scenarios generated by stochastic modeling. The impact on profit or loss is included in interest paid to customers.

Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in a currency other than the local currency are translated at the exchange rates prevailing on the balance sheet date. Unrealized foreign currency gains or losses resulting from these conversions are recognized in the income statement with the exchange differences realized or suffered on the transactions of the fiscal year.

However, translation adjustments of long-term investment securities and equity investments and subsidiaries denominated in foreign currencies and financed in euros are not recorded in the income statement. However, if the securities must be sold or redeemed, a provision is recognized for the unrealized foreign exchange loss.

Funds for general banking risks

Funds for general banking risks (FGBR) were created as a precautionary measure to cover general and indeterminate risks inherent in banking activity. Allocations and reversals of the FGBR are made by the executives and are recorded in the income statement.

Interest and commissions

Interest is recognized in the income statement *prorata temporis*. Commissions are recognized according to the collection criterion with the exception of those relative to financial transactions, which are recognized from closure of the issue or when they are invoiced.

Interest on irrevocable non-performing loans is not recognized as income.

Fees include income from banking transactions paying for services provided to third parties, with the exception of those having an interest nature, *i.e.* calculated according to the duration and amount of the receivable or of the commitment given.

Retirement and equivalent commitments

In accordance with ANC recommendation 2013.02, a provision is made for commitments, the change of which is recognized in profit/(loss) for the fiscal year. The following assumptions are used to calculate retirement and equivalent commitments:

- a discount rate determined by reference to the long-term rate on first-class corporate borrowings at the end of the fiscal year;
- a rate of increase in salaries estimated on the basis of a long-term estimate of inflation and real salary growth.

Post-employment benefits under a defined benefit plan

Commitments are calculated using the projected unit credit method to determine the present value of the commitment and the cost of services rendered for the fiscal year, based on assumptions. The differences generated by the changes in the latter and by the differences between the previous assumptions and what actually occurred constitute actuarial gains and losses.

When the plan has assets, these are valued at fair value and their expected return impact profit (loss). The difference between the actual and the expected return constitutes an actuarial gain 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.

Supplementary pensions covered by pension funds

The AFB interim agreement dated September 13, 1993, modified pension plans for banking institutions. Since January 1, 1994, banks affiliate with the national plans, Arrco and Agirc. The three CIC funds that were responsible for the payment of the various expenses provided for in the interim agreement merged on January 1, 2008 to pool their reserves.

After the merger, the reserves of the merged entity fully cover the commitments, which were fully estimated in 2008. In order to comply with the provisions of the Fillon Act of August 23, 2003 and the Social Security Financing Act No. 2008-1330 of December 17, 2008, the merged entity was transformed into an IGRS, with the corresponding transfer of reserves and commitments to an insurance company, in 2009.

Other post-employment benefits under a defined benefit plan

Future retirement benefits and supplementary pensions, including special schemes, are either covered by insurance contracts or provisioned for the portion not covered by such contracts.

The premiums paid annually take into account the rights acquired on December 31 of each fiscal year, weighted by coefficients concerning staff turnover and the probability of survival of personnel.

Commitments are calculated using the projected unit credit method. 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.

Retirement benefits that are due and paid to employees during the year are reimbursed by the insurer for the portion covered by it.

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 62nd birthday.

Post-employment benefits under a defined contribution plan

Since 1994, a company agreement has been signed creating a supplementary pension plan by collective capitalization for the benefit of the group's employees, in particular former CIC Paris. This scheme was extended to employees of the former European Union of CIC when the two institutions were merged in 1999.

Other long-term benefits

Employees receive a bonus linked to the long service award obtained after 20, 30, 35 and 40 years of service. This commitment is fully provisioned in the company's financial statements and measured according to the same principles as those for retirement benefits.

Establishment in states or territories that are not cooperative in the fight against fraud and tax evasion

The bank has no direct or indirect establishment in states or territories covered by Article L.511-45 of the French Monetary and Financial Code, shown on the list fixed by the Order of February 12, 2010.

Note 2 Government and equivalent securities

	12/31/2023				12/31/2022			
	Transaction	Placement	Invest.	Total	Transaction	Placement	Invest.	Total
Securities held	129	3,383	524	4,036	80	3,145	523	3,748
Loaned securities	-	-	-	-	389	-	-	389
Translation adjustments	-	-	-	-	-	-	-	-
Receivables related	-	6	14	20	-	6	14	20
Impaired securities	-	-	-	-	-	-	-	-
Gross amount	**129**	**3,389**	**538**	**4,056**	**469**	**3,151**	**537**	**4,157**
Write down	-	-	-	-	-	-	-	-
Net amount	**129**	**3,389**	**538**	**4,056**	**469**	**3,151**	**537**	**4,157**
Unrealized gains	-	-	-	-	-	-	-	-

The positive (or negative) differences between the redemption price and the purchase price of short-term and long-term investment securities are respectively €0 million and -€71 million.

There was no transfer of securities between categories for government securities.

Note 3 Receivables on credit institutions

	12/31/2023		12/31/2022	
	Demand	Term	Demand	Term
Current accounts	4,815	-	4,171	-
Loans, securities received under repurchase agreements[1]	2,548	16,563	1,756	20,624
Securities received under repurchase agreements[2]	-	6,895	-	3,983
Receivables related	0	201	0	101
Non-performing loans	-	0	-	0
Write down	-	-	-	-
TOTAL	**7,363**	**23,659**	**5,927**	**24,708**
TOTAL RECEIVABLES ON CREDIT INSTITUTIONS	**-**	**31,022**	**-**	**30,635**
of which equity loans	-	*7*	-	*7*
of which subordinated loans	-	*218*	-	*212*

[1] €2.0 billion in demand deposits was offset against the item "Receivables on credit institutions", corresponding to the payment made to the Caisse des Dépôts et Consignations in connection with the centralization of deposits.

[2] Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €1.449 billion under "Due to credit institutions".

Non-performing loans do not include irrevocable non-performing loans.

Performing loans do not include restructured receivables.

In 2022, the amount of the offset was €1.6 billion.

Note 3 *bis* Breakdown by geographic segment of receivables on credit institutions

	Brussels	France	USA	Great Britain	Singapore	Hong Kong	Total
Total gross outstandings at 12/31/2023[1]	-	27,474	82	1,369	1,894	2	30,821
of which:	-	-	-	-	-	-	-
Non-performing loans	-	-	-	-	-	-	-
Irrevocable non-performing loans	-	0	-	-	-	-	0
Write-downs:	-	-	-	-	-	-	
Inventories at 12/31/2022	-	0	-	-	-	-	0
Allowances	-	-	-	-	-	-	-
Reversals	-	0	-	-	-	-	0
Exchange rate effects	-	-	-	-	-	-	
Inventories at 12/31/2023	-	0	-	-	-	-	0

[1] Excluding related receivables.

Note 4 Receivables from customers

	12/31/2023	12/31/2022
Commercial loans	69	79
Receivables related	-	-
Other contests	-	-
■ Loans and credits	51,362	49,453
■ Securities received under repurchase agreements[1]	10,813	8,187
■ Receivables related	306	156
Overdrawn current accounts	1,020	558
Receivables related	-	0
Non-performing loans	1,432	1,098
Write down	-681	-467
TOTAL	**64,321**	**59,065**
of which eligible receivables from the European Central Bank	*1,445*	*1,438*
of which equity loans	*1*	*0*
of which subordinated loans	*11*	*11*

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €1.074 billion in "Accounts payable to customers".

Non-performing loans include a write-down of irrevocable non-performing loans of €870 million and impairments of €450 million.

Receivables from customers include €638 million in restructured receivables, of which €441 million on non-performing loans.

Note 4 *bis* Breakdown of receivables from customers by geographic segment

	France	USA	Great Britain	Singapore	Hong Kong	Brussels	Total
Total gross outstandings at 12/31/2023[1]	54,749	3,365	1,991	3,503	1,054	340	65,002
of which:							
Non-performing loans	510	15	37				562
Irrevocable non-performing loans	870	-	-	-	-	-	870
Write-downs:							
Inventories at 12/31/2022	-452	-10	-5	-	-	-	-467
Allowances	-275	-5	-1	-	-	-	-281
Reversals	63	-	2	0	-	-	65
Effects of exchange rates and other	2		0	-	-	-	2
Inventories at 12/31/2023	-662	-15	-4	-	-	-	-681

(1) Excluding related receivables.

Note 4 *ter* Impairment on non-performing loans

	12/31/2022	Allowances	Reversals	Other changes	12/31/2023
Assets					
Impairment on receivables on credit institutions	0	-	-	-	0
Impairment on receivables from customers	467	281	-65	-2	681
Impairment on finance leases and operating leases	-	-	-	-	-
Impairment on bonds and other fixed-income securities	0	-	-	0	0
Impairment of other assets	-	-	-	-	-
TOTAL	**467**	**281**	**-65**	**-2**	**681**

The total of non-performing loans on customers amounted to €1,432 million compared to €1,098 million at December 31, 2022. They are covered by asset impairments amounting to €681 million, *i.e.* 47.6% against 42.5% previously.

The coverage ratio of gross customer outstandings by all impairments and provisions covering credit risks stood at 1.70% compared to 1.51% in 2022.

Non-performing loans are covered by these provisions with the exception of provisions for country risks and general provisions for credit risks, which relate to performing loans.

Note 5 Bonds & other fixed income securities

	12/31/2023				12/31/2022			
	Transaction	Placement	Invest.	Total	Transaction	Placement	Invest.	Total
Listed securities held	6,299	14,169	31	20,499	4,539	12,909	1	17,449
Non-listed securities held	-	1,543		1,543	-	1,522	-	1,522
Loaned securities	-	-	-	-	-	-	-	-
Receivables related	10	127		137	1	71		72
Non-performing loans[1]	-	18	1	19	-	17	1	18
Gross amount	**6,309**	**15,857**	**32**	**22,198**	**4,540**	**14,519**	**2**	**19,061**
■ Write down	-	-41	-	-41	-	-101		-101
■ Provisions	-	-20	-1	-21	-	-17	-1	-18
Net amount	**6,309**	**15,796**	**31**	**22,136**	**4,540**	**14,401**	**1**	**18,942**
Unrealized gains	-	-	-	-	-	-	-	-
of which subordinated bonds	-	-	-	-	-	-	-	-
of which securities issued by public organizations	-			*4,241*				*3,709*

(1) Non-performing loans include €1 million of irrevocable non-performing loans.

The positive (or negative) differences between the redemption price and the purchase price of short-term investment securities are €82 million and zero for long-term investment securities.

Trading and short-term investment securities were valued at market prices based on external data from organized markets, or for over-the-counter markets, based on the prices of the principal brokers, or when no price was available, based on comparable securities listed on the market.

Note 5 *bis* Bonds & other fixed-income securities – Monitoring of category transfers in 2008 pursuant to CRC Regulation 2008-17 amending CRB Regulation 90-01

Due to the exceptional situation caused by the deterioration of the global financial markets, CIC made transfers of securities out of the category Trading securities, excluding short-term investment securities. These reclassifications were carried out on a basis of valuation on July 1, 2008.

	Carrying amount on transfer date	Carrying amount in the balance sheet at closing date	Value at balance sheet date if transfers had not taken place	Unrealized gains or losses
Reclassified assets of:				
■ Trading securities to long-term investment securities	18,443	722	1,321	599
■ Trading securities to short-term investment securities	349	2	2	0
■ Short-term investment securities to long-term investment securities	421	-	-	-
TOTAL	**19,213**	**724**	**1,323**	**599**

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Note 6 Shares & other variable-income securities

	12/31/2023				12/31/2022			
	Transaction	Placement	TAP	Total	Transaction	Placement	TAP	Total
Listed securities held[1]	1,257	9	-	1,266	607	10	-	617
Non-listed securities held	-	337	-	337	-	248	-	248
Loaned securities	-	-	-	-	1	-	-	1
Receivables related	-	-	-	-	-	-	-	-
Gross amount	**1,257**	**346**	**-**	**1,603**	**608**	**258**		**866**
Write-downs of securities	-	-28	-	-28	-	-12	-	-12
TOTAL	**1,257**	**318**		**1,575**	**608**	**246**	**-**	**854**
Unrealized gains	-	-	-	-	-	-	-	-

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €0.572 billion under "Other assets and liabilities".

No transfers between portfolios took place during fiscal year 2023.

Note 7 Equity investments and other long-term investments

	12/31/2022	Acquisitions Additions	Disposals Reversals	Transfers	Other changes	12/31/2023
Other long-term investments						
■ listed	-	-	-	-	-	-
■ non-listed	120	-	-	-69	2	53
Equity investments						
■ listed	0	-	-	-	-	0
■ non-listed	9	-	-	69	-1	77
Subtotal	**129**	**-**	**-**	**-**	**1**	**130**
Translation adjustments	-	-	-	-	-	-
Loaned securities	-	-	-	-	-	-
Receivables related	-	-	-	-	-	-
Call for funds and current account advances in SCIs	-	-	-	-	-	-
GROSS AMOUNT	**129**	**-**	**-**	**-**	**1**	**130**
Write down						
■ listed securities	0	-	-	-	-	0
■ non-listed securities	-8	-	-	-	1	-7
Subtotal	**-8**	**-**	**-**	**-**	**1**	**-7**
NET AMOUNT	**121**	**-**	**-**	**-**	**2**	**123**

Note 8 Investments in associates

	12/31/2022	Acquisitions Additions	Disposals Reversals	Transfers	Other changes	12/31/2023
Gross amount	6,437	70	-77	-	22	6,452
Translation adjustments	-7	-	-	-	-2	-9
Loaned securities	-	-	-	-	-	-
Receivables related	-	-	-	-	-	-
Call for funds and current account advances in SCIs	-	-	-	-	-	-
Write down	-127	-6	4		0	-129
NET AMOUNT	**6,303**	**64**	**-73**		**20**	**6,314**
Gross carrying amount of shares in listed subsidiaries and associates	-	-	-	-	-	-
Gross carrying amount of shares in non-listed subsidiaries and associates	6,435	-	-	-	-	6,451
of which gross carrying amount of securities in non-listed credit institutions	3,620	-	-	-	-	3,642

TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES

	12/31/2023 Subsidiaries and associates		12/31/2022 Subsidiaries and associates	
	Total	Of which subordinated	Total	Of which subordinated
ASSETS				
Receivables on credit institutions	24,627	210	24,310	205
Receivables from customers	2,853	-	15	-
Other miscellaneous receivables	2,132	-	1,761	-
Bonds and other fixed-income securities	-	-	-	-
Swaps purchases	235	-	300	-
LIABILITIES				
Due to credit institutions	34,774	-	48,989	-
Deposits from customers	4,872	-	1,790	-
Other liabilities	671	-	763	-
Swaps sales	722	-	1,208	-
Debt securities	2,559	2,559	2,549	2,549
OFF-BALANCE SHEET				
Commitments given				
Credit institutions[1]	1,449	-	1,398	-
Customers	5,171	-	4,072	-
Commitments received				
Credit institutions	4,186		3,660	

(1) *Commitments given to subsidiaries and associates relate in particular to guarantees given to regional banks on their issuance of certificates of deposit and negotiable medium-term notes.*

Transactions with businesses for which there is a shareholding link are not material.

Transactions with related parties

All transactions with related parties were concluded under normal market conditions, *i.e.* those usually practiced by the institution in its dealings with third parties, so that the beneficiary of the agreement does not derive an advantage over the conditions imposed on any third party of the company, taking into account the conditions of use in companies in the same sector.

Note 9 Intangible assets

	12/31/2022	Acquisitions Additions	Disposals Reversals	Other changes	12/31/2023
Gross amount					
■ Purchased goodwill	66	-	-	-	66
■ Start-up expenses	-1	-	-	1	0
■ Research and development expenses	-	-	-	-	-
■ Other intangible assets	73	-	-	1	74
GROSS AMOUNT	**138**	**-**	**-**	**2**	**140**
Amortizations					
■ Purchased goodwill	-56	-	-	-1	-57
■ Start-up expenses	1	-	-	-1	0
■ Research and development expenses	-	-	-	-	-
■ Other intangible assets	-26	-	-	-	-26
Amount of depreciation	**-81**	**-**	**-**	**-2**	**-83**
NET AMOUNT	**57**	**-**	**-**	**-**	**57**

Note 10 Property, plant and equipment

Property, plant and equipment	12/31/2022	Acquisitions Allowances	Disposals Reversals	Other changes	12/31/2023
Gross amount					
■ Operating sites	203	4	0	-	207
■ Non-operating sites	0	0	-	-	0
■ Operating buildings	829	42	-130	-	741
■ Non-operating buildings	1	1	-	-	2
■ Other property, plant and equipment	122	16	-17	-	121
GROSS AMOUNT	**1,155**	**63**	**-147**	**-**	**1,071**
Amortizations					
■ Operating sites	-	-	-	-	-
■ Non-operating sites	-	-	-	-	-
■ Operating buildings	-577	-22	126	0	-472
■ Non-operating buildings	0	0	-	-	0
■ Other property, plant and equipment	-102	-2	11	1	-92
Amount of depreciation	**-679**	**-24**	**137**	**1**	**-564**
NET AMOUNT	**476**	**-**	**-**	**-**	**507**

Note 11 Treasury shares

	12/31/2023	12/31/2022
Number of securities held	231,711	231,711
Share in the capital	0.61%	0.61%
Carrying amount	10	10

CIC treasury shares come from the partial contribution of CIAL assets made in 2006.

Note 12 Other assets and liabilities

	12/31/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities
Option premiums	675	630	1,008	990
Securities settlement accounts	92	84	52	52
Debts representing borrowed securities[1]	-	869	-	1,453
Deferred tax	-	-	-	-
Miscellaneous debtors and creditors	5,071	1,443	5,025	1,496
Non-performing loans	1	-	1	-
Related debt	10	7	5	3
Write down	-1	-	-1	-
TOTAL	**5,848**	**3,033**	**6,090**	**3,994**

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €0.572 billion under "Shares and other variable-income securities".

Note 13 Accruals

	12/31/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities
Collection accounts	7	152	1	126
Currency and off-balance sheet adjustment accounts	4,733	4,689	5,992	5,940
Other accruals	1,032	1,338	751	2,124
TOTAL	**5,772**	**6,179**	**6,744**	**8,190**

The French Supreme Court rejected the appeal lodged by the French Competition Authority in the case concerning check image transfer fees.

Note 14 Due to credit institutions

	12/31/2023		12/31/2022	
	Demand	Term	Demand	Term
Current accounts	23,431	-	23,610	
Term deposits	-	22,570		41,295
Securities given under repurchase agreements	-	-	-	-
Securities sold under repurchase agreements[1]	-	17,776	-	15,480
Related debt	-	380	-	162
TOTAL	**23,431**	**40,726**	**23,610**	**56,937**
TOTAL DUE TO CREDIT INSTITUTIONS	**-**	**64,157**	**-**	**80,547**

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €1.449 billion under "Receivables on credit institutions".

Note 15 Deposits from customers

	12/31/2023		12/31/2022	
	Demand	Term	Demand	Term
Special savings accounts [1]	5,704	2,236	6,954	2,572
Related debt	-	-	-	-
TOTAL – SPECIAL SAVINGS ACCOUNTS	**5,704**	**2,236**	**6,954**	**2,572**
Other debt	27,407	20,600	35,564	12,548
Securities sold under repurchase agreements [2]	-	5,563	-	1,549
Related debt	2	279	1	52
TOTAL – OTHER DEBT	**27,409**	**26,442**	**35,565**	**14,149**
TOTAL ON DEMAND AND TERM DEPOSITS FROM CUSTOMERS	**-**	**61,791**	**-**	**59,240**

(1) €2.0 billion in demand deposits was offset against the item "Receivables on credit institutions", corresponding to the payment made to the Caisse des Dépôts et Consignations in connection with the centralization of deposits.

(2) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €1.074 billion under "Receivables from customers".

In 2022, the amount of the offset was €1.6 billion.

Note 15a Customer deposits centralized with the Caisse des Dépôts et Consignations savings fund

	12/31/2023	12/31/2022
Amount of deposits collected (Livret A passbook accounts, sustainable development and solidarity passbook accounts, Livret d'épargne populaire passbook account)	3,705,896	3,095,781
Amount of the receivable from the CDC savings fund (centralized deposit amount)	-2,021,061	-1,686,405
NET AMOUNT OF SPECIAL SAVINGS ACCOUNTS PRESENTED AS LIABILITIES ON THE BALANCE SHEET	**1,684,835**	**1,409,376**

Note 16 Debt securities

	12/31/2023	12/31/2022
Certificates of deposit	-	1
Interbank market securities & negotiable debt securities	18,934	16,731
Bonds	11,289	9,332
Other debt securities	7	63
Related debt	428	136
TOTAL	**30,658**	**26,263**

Note 17 Provisions

	12/31/2022	Allowances	Reversals	Other change	12/31/2023
Provisions for counterparty risks					
■ on commitments by signature	34	15	-15	-	34
■ on off-balance sheet commitments	-	-	-	-	-
■ on country risks	0	-	-	-	0
■ general provisions for credit risks	381	12	-13	-	380
■ other provisions for counterparty risks		8			8
Provisions for losses on forward financial instruments	**132**	**1**	**-85**	**-6**	**42**
Provisions for subsidiaries and associates	**0**		**-**	**-**	**0**
Provisions for risks and expenses excluding counterparty risks	**-**	**-**	**-**	**-**	**-**
■ provisions for retirement expenses	32	15	-	-	47
■ provisions for mortgage saving agreements	16	-	-1	-	15
■ other provisions[1]	651	155	-106	0	700
TOTAL	**1,246**	**206**	**-220**	**-6**	**1,226**

ANC Recommendation No. 2013-02 on the rules for valuing retirement commitments in accordance with IAS 19 R.

(1) As at December 31, 2023, the inventory of provisions included €594 million of provisions related to the temporary effects of tax consolidation.

Note 17 *bis* Provisions for risks arising from commitments on mortgage saving agreements

	12/31/2023	12/31/2022
Mortgage saving plans (PEL)	**-**	**-**
Maturity between 0-4 years	239	271
Maturity between 4-10 years	247	980
Maturity > 10 years	1,273	643
TOTAL	**1,773**	**1,925**
Amounts outstanding under mortgage saving accounts (CEL)	**119**	**107**
TOTAL MORTGAGE SAVING AGREEMENTS (ACCOUNTS AND PLANS)	**1,892**	**2,032**

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	1	1

PROVISIONS ON MORTGAGE SAVING AGREEMENTS

	12/31/2023	12/31/2022
On mortgage saving accounts	-	-
On mortgage saving plans	15	16
On loans under mortgage saving agreements	-	-
TOTAL	**15**	**16**
Provisions for mortgage saving plans, by maturity	**-**	**-**
Maturity between 0-4 years	1	1
Maturity between 4-10 years	1	2
Maturity > 10 years	13	13
TOTAL	**15**	**16**

Note 17 *ter* Provision for retirement benefits

Retirement benefits	Closing 2022	Financial income	Effect of discounting	Cost of services rendered	Transfers	Mana-gement fees	Change in actuarial gains and losses	Impact of change in retirement age	Payment to beneficiaries	Insurance contributions	Closing 2023
Commitments	45	-	-	2	1	-	11	-1	-4	-	54
Insurance contracts	32	-2	-	-	1	0	0	-	-2	1	30
Spread	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets/ Commitments	-	-	-	-	-	-	-	-	-	-	-
PROVISIONS	**12**	**2**	**-**	**2**		**0**	**11**	**-1**	**-2**	**-1**	**24**

Note 18 Subordinated debt

	12/31/2022	Emissions	Repayments	Other changes	12/31/2023
Debt securities	2,413	-	-	-	2,413
Participating loans	-	-	-	-	-
Perpetual subordinated debt	163	-	-	-	163
Related debt	8	-	-	4	12
TOTAL	**2,584**	**-**	**-**	**4**	**2,588**

PRINCIPAL SUBORDINATED DEBT

	Issue Date	Issue Amount	Amount at year-end	Rate	Term
Participating loan	05/28/1985	€137m	€137m	(1)	(2)
Redeemable subordinated notes/TSR	03/24/2016	€414m	€414m	3 months EURIBOR +2.05%	03/24/2026
Redeemable subordinated notes/TSR	11/04/2016	€700m	€700m	3 months EURIBOR +1.70%	11/04/2026

(1) 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).*
(2) 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.

Note 19 Shareholders' equity and FGBR

	Capital	Premiums	Reserves[1]	Revaluation provisions	Regulated earnings	Retained earnings	Profit/(loss) for the period	Total	Funds for general banking risks
Balance at 01/01/2022	**612**	**1,172**	**7,168**	**44**	**61**	**59**	**1,087**	**10,202**	**379**
Profit (loss) for the period	-	-	-	-	-	-	1,268	1,268	-
Appropriation of earnings from previous year	-	-	-	-	-	1,087	-1,087	-	-
Distribution of dividends	-	-	-	-	-	-1,046		-1,046	-
Capital increase	-	-	-	-	-	-	-	-	-
Impact of revaluations	-	-	-	-	-	-	-	-	-
Change of method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	2	-	-	2	
BALANCE AT 12/31/2022	**612**	**1,172**	**7,168**	**44**	**63**	**100**	**1,268**	**10,427**	**379**
Balance at 01/01/2023	**612**	**1,172**	**7,168**	**44**	**63**	**100**	**1,268**	**10,427**	**379**
Profit (loss) for the period	-	-	-	-	-	-	1,871	1,871	-
Appropriation of earnings from previous year	-	-	-	-	-	1,268	-1,268	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-
Capital increase	-	-	1,200	-	-	-1,200	-	-	-
Impact of revaluations	-	-	-	-	-	-	-	-	-
Change of method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	2	-	-	2	-
BALANCE AT 12/31/2023	**612**	**1,172**	**8,368**	**44**	**65**	**168**	**1,871**	**12,301**	**379**

(1) As of December 31, 2023, the reserves consist of a legal reserve for €61 million, a special long-term capital gains reserve for €287 million, a free reserve for €7,896 million, €124 million in statutory reserves and €1 million in the special art. 238 a) reserve.

As at December 31, 2023, CIC had a share capital of 38,241,129 shares with a nominal value of €16.

CIC's corporate earnings amounted to €1,871,303,932.07.

It is proposed that the Shareholders' Meeting allocate the sum of €2,039 million from income (€1,871 million) and retained earnings (€168 million) as follows:

Dividends for fiscal year 2023	992.7
Allocation to the free reserve	1,000.0
Provision for retained earnings	46.9
TOTAL DISTRIBUTABLE	**2,039.6**

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Note 20 Breakdown of certain assets/liabilities according to their residual maturity

	< 3 months and on demand	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Term undetermined	Receivables related debts	Total
ASSETS							
Receivables on credit institutions[1]	16,420	2,226	6,133	6,029	-	214	31,022
Receivables from customers[2]	13,275	8,381	19,849	21,758	-	306	63,569
Bonds and other fixed-income securities[3]	77	555	8,578	6,541	-	120	15,871
LIABILITIES							
Due to credit institutions[4]	48,499	4,800	6,156	4,322	-	380	64,157
Deposits from customers	48,534	8,997	3,794	231	-	235	61,791
Debt securities	-	-	-	-	-	-	-
■ Certificates of deposit	-	-	0	-	-	-	0
■ Interbank market securities and negotiable debt securities	8,690	10,222	22	0	-	336	19,270
■ Bonds	55	528	4,482	6,223	-	90	11,379
■ Other	-	-	-	7	-	-	7

(1) With the exception of non-performing loans and impairments.
(2) Excluding unallocated amounts, non-performing loans and provisions for impairment.
(3) Exclusively for short-term and long-term investment securities (excluding non-performing loans).
(4) With the exception of other amounts due.

Note 21 Equivalent value (in € millions) of foreign currency assets & liabilities

The equivalent value of assets and liabilities denominated in foreign currencies was €52,219 million and €59,331 million at December 31, 2023.

CIC has no significant operating positions in foreign currencies.

Note 22 Guarantee commitments given

As part of Crédit Mutuel Alliance Fédérale's refinancing operations (mortgage market and secured securities), certain receivables from customers distributed by CIC constitute assets given as collateral for these refinancing operations carried by third-party entities of the group. As of December 31, 2023, they amounted to €10,437 million.

Note 23 Commitments on forward financial instruments

TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

(ACCORDING TO THE NOTION OF MICRO/MACRO HEDGING AND OPEN POSITION MANAGEMENT/SPECIALIZED MANAGEMENT ON FIRM AND CONDITIONAL TRANSACTIONS).

	12/31/2023			12/31/2022		
	Hedging	Management transactions	Total	Hedging	Management transactions	Total
Firm transactions						
Organized markets						
■ Interest rate contracts	11,322	54,143	65,465	6,049	52,356	58,405
■ Foreign exchange contracts	-	-	-	-	-	-
■ Other transactions	-	8,129	8,129	-	8,719	8,719
Over-the-counter contracts						
■ Future rate agreements	-	22,112	22,112	-	22,294	22,294
■ Interest rate swaps	14,472	67,991	82,463	11,212	68,898	80,110
■ Financial swaps	1,104	12,905	14,009	768	13,765	14,533
■ Other transactions	-	577	577	-	290	290
■ Swaps – others	-	6,711	6,711	-	7,040	7,040
Conditional transactions						
Organized markets						
■ Rate options						
Purchased	-	2,000	2,000	-	356	356
Sold	-	2,000	2,000	-	234	234
■ Foreign currency options						
Purchased	-	-	-	-	-	-
Sold	-	-	-	-	-	-
■ Shares and other options						
Purchased	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Over-the-counter contracts						
■ Rate cap and floor contracts						
Purchased	-	20,066	20,066	-	18,348	18,348
Sold	-	18,689	18,689	-	17,309	17,309
■ Interest rate, currency, equity and other options						
Purchased	-	18,526	18,526	-	18,365	18,365
Sold	-	18,526	18,526	-	18,365	18,365
TOTAL	**26,898**	**252,375**	**279,273**	**18,029**	**246,339**	**264,368**

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BREAKDOWN OF OVER-THE-COUNTER INTEREST RATE CONTRACTS BY PORTFOLIO TYPE

2023	Isolated open position	Micro-hedging	Total interest rate risk	Specialized management	Total
Firm transactions					
Purchases	-	-	-	22,402	22,402
Sales	-	-	-	288	288
Foreign exchange contracts	-	12,695	2,881	87,607	103,183
Conditional transactions					
Purchases	-	-	-	38,592	38,592
Sales	-	-	-	37,215	37,215
2022					
Firm transactions					
Purchases	-	-	-	22,440	22,440
Sales	-	-	-	144	144
Foreign exchange contracts	-	10,699	1,281	89,702	101,682
Conditional transactions					
Purchases	-	-	-	36,714	36,714
Sales	-	-	-	35,674	35,674

During fiscal year 2023, there were no transfers between the swap hedging portfolio and the swap trading portfolio.

Note 24 Breakdown of forward instruments according to their residual maturity

	< 1 year	> 1 year < 5 years	> 5 years	Total
Rate instruments				
Organized markets				
■ Purchases	35,151	20,021	9,968	65,140
■ Sales	4,324			4,324
Over-the-counter contracts				
■ Purchases	18,979	21,517	1,682	42,178
■ Sales	6,948	10,981	759	18,689
■ Interest rate swaps	27,884	37,057	17,522	82,463
Foreign exchange instruments				
Organized markets				
■ Purchases	-	-	-	-
■ Sales	-	-	-	-
Over-the-counter contracts				
■ Purchases	17,151	1,664	-	18,815
■ Sales	17,149	1,665	-	18,814
■ Financial swaps	2,683	6,624	4,702	14,009
Other forward financial instruments				
Organized markets				
■ Purchases	399	5,639	90	6,128
■ Sales	319	1,678	5	2,002
Over-the-counter contracts				
■ Purchases	-	-	-	-
■ Sales	-	-	-	-
■ Swaps	690	5,838	183	6,711
TOTAL	**131,677**	**112,684**	**34,911**	**279,273**

Note 25 Forward financial instruments – Counterparty risk

The counterparty risk associated with forward financial instruments is estimated using the methodology used to calculate the prudential ratios.

Credit risks on forward financial instruments	12/31/2023	12/31/2022
Gross exposures		
Risks on credit institutions	393	399
Business risks	2,504	2,541
TOTAL	**2,897**	**2,940**

	12/31/2023		12/31/2022	
Fair value of forward financial instruments	Assets	Liabilities	Assets	Liabilities
Fair value of forward financial instruments	6,160	6,124	8,228	7,960

Note 26 Other off-balance sheet commitments

	12/31/2023	12/31/2022
Foreign currency transactions		
Currencies to be received	6,724	7,867
Currencies to be delivered	6,543	7,087
Commitments on forward financial instruments		
Transactions on organized and equivalent markets		
Forward foreign exchange transactions	-	-
■ Hedging	40,084	32,242
■ Other transactions	75,569	83,339
Financial currency swaps	-	-
■ Isolated open position	-	-
■ Micro-hedging	1,104	768
■ Global interest rate risk	-	-
■ Specialized management	12,905	13,765
Finance lease commitments		
Fees outstanding on real estate leasing	-	-
Fees outstanding on equipment leasing	-	-

Note 27 Interest income and expenses

	Fiscal year 2023		Fiscal year 2022	
	Income	Expenses	Income	Expenses
Credit institutions	6,060	-4,854	1,524	-1,289
Customers	2,326	-1,463	1,181	-320
Finance and operating leases	-	-	-	-
Bonds and other fixed-income securities	859	-1,862	309	-583
Other	135	-147	85	-80
TOTAL	**9,380**	**-8,326**	**3,099**	**-2,272**
of which subordinated debt expenses		*-127*	-	*-29*

Note 28 Income from variable-income securities

	Fiscal year 2023	Fiscal year 2022
Short-term investment securities	8	3
Securities relating to portfolio activity	-	-
Equity investments and other long-term securities	12	12
Investments in subsidiaries and associates	982	1,070
Income from SCI shares	-	-
TOTAL	**1,002**	**1,085**

Note 29 Commissions

	Fiscal year 2023		Fiscal year 2022	
	Income	Expenses	Income	Expenses
Treasury & interbank transactions	-	-5	-	-5
Customer transactions	256	-5	224	-3
Security trades	4	-102	4	-43
Foreign currency transactions	2	-1	3	-1
Off-balance sheet transactions	-	-	-	-
■ Securities commitments	19	-	20	-
■ Forward financial commitments	4	-8	7	-9
■ Funding and guarantee commitments	23	-20	17	-22
Financial services	208	-30	222	-28
Commissions on means of payment	161	-93	137	-87
Other commissions (including retroceded income)	13	-11	22	-14
TOTAL	**690**	**-275**	**656**	**-212**

Note 30 Gains or losses on trading portfolio transactions

	Fiscal year 2023	Fiscal year 2022
On trading securities	349	-121
On currency transactions	35	26
On forward financial instruments	-	-
■ Interest rate	309	475
■ Exchange rate	51	19
■ On other financial instruments including shares	-166	22
Subtotal	**578**	**421**
Provisions for impairment of financial instruments	-1	-126
Reversals of impairment of financial instruments	85	-
TOTAL	**662**	**295**

Note 31 Profit/loss on transactions on short-term investment portfolio and similar

	Fiscal year 2023	Fiscal year 2022
Trades on short-term investment securities		
■ Capital gains on disposals	22	20
■ Capital losses on disposals	-153	-224
■ Provisions for impairment	-20	-72
■ Reversals of impairment	65	12
Trades on portfolio securities		
■ Capital gains on disposals	-	-
■ Capital losses on disposals	-	-
■ Provisions for impairment	-	-
■ Reversals of impairment	-	-
TOTAL	**-86**	**-264**

Note 32 Other banking income and operating expenses

	Fiscal year 2023		Fiscal year 2022	
	Income	Expenses	Income	Expenses
Ancillary products	2	-	1	-
Expense transfers	-	-	-	-
Net provisions	77	-4	51	-
Other income/expenses generated from banking operations	1	-16	4	-10
Net income/expenses generated from other activities	-	-	-	-
TOTAL	**80**	**-20**	**56**	**-10**

Note 33 Employee benefit expense

	Fiscal year 2023	Fiscal year 2022
Wages & salaries	-297	-278
Social security contributions	-130	-121
Pension expenses	-1	-
Employee profit-sharing and incentive schemes	-33	-33
Taxes, duties and equivalent payments on compensation	-40	-39
Net provisions for retirement	-14	16
Other net provisions	-4	-
TOTAL	**-519**	**-455**

Note 34 Cost of risk

	Fiscal year 2023	Fiscal year 2022
Allowances for impairment of non-performing loans	-278	-136
Reversals of impairment of non-performing loans	64	119
Losses on irrecoverable loans covered by impairments	-16	-42
Losses on irrecoverable loans not covered by impairments	-2	-2
Recoveries on amortized receivables	2	1
Balance of receivables	**-230**	**-60**
Provisions	-37	-66
Reversals of provisions	29	18
Balance of risks	**-8**	**-48**
TOTAL	**-238**	**-108**

Note 35 Gains or losses on non-current assets

	Fiscal year 2023					Fiscal year 2022
	Government and equivalent securities	Bonds and other fixed-income securities	Investments and other long-term securities	Investments in subsidiaries and associates	Total	Total
On non-current financial assets						
■ Capital gains on sale	-	3	36	211	250	3
■ Capital losses on sale	-	-	-1	-	-1	-19
■ Provisions for impairment	-	-	-	-6	-6	-10
■ Reversals of impairment	-	-	-	4	4	19
Subtotal	**-**	**3**	**35**	**209**	**247**	**-7**
On property, plant and equipment and intangible assets						
■ Capital gains on sale	-	-	-	-	-	-
■ Capital losses on sale	-	-	-	-	-6	-9
Subtotal	**-**	**-**	**-**	**-**	**-6**	**-9**
TOTAL	**-**	**-**	**-**	**-**	**241**	**-16**

Note 36 Non-recurring income

	Fiscal year 2023	Fiscal year 2022
Provisions	6	2
TOTAL	**6**	**2**

Note 37 Income tax

	Fiscal year 2023	Fiscal year 2022
Current tax – Excluding tax consolidation effect	-106	-18
Current tax – Adjustment on prior fiscal years	1	2
Current tax – Effect of tax consolidation	-144	-104
TOTAL	**-249**	**-120**
On current activities	-249	-120
On non-recurring items	-	-
TOTAL	**-249**	**-120**

CIC has been the parent company of the tax consolidation group since January 1, 1995.

Each company consolidated for tax purposes is placed in the position it would have been in if it had been taxed separately.

The additional tax saving or expense resulting from the difference between the tax due by the consolidated subsidiaries and the tax resulting from the determination of the overall income is recorded by CIC.

Note 38 Breakdown of the income statement by geographic area

	France	USA	Great Britain	Singapore	Hong Kong	Brussels	Total
Net revenue	2,678	215	59	136	14	-	3,102
General operating expenses	-868	-59	-16	-40	-7	-	-989
GOI	1,810	156	43	96	7	-	2,113
Cost of risk	-243	1	6	-3	1	-	-238
Operating income	1,567	157	49	93	8	-	1,875
Profit/loss on non-current assets	241	-	-	-	-	-	241
Current profit/(loss)	1,808	157	49	93	8	-	2,116
Non-recurring income	6	-	-	-	-	-	6
Taxes	-201	-27	-12	-7	-1	-	-248
Additions/reversals to regulated provisions	-3	-	-	-	-	-	-3
Net income	**1,610**	**130**	**38**	**86**	**7**		**1,871**

Note 38 *bis* Breakdown of the income statement by business line

	Network	Private wealth management	Structure and holding company	Total
Net revenue	887	1,180	1,035	3,102
General operating expenses	-490	-445	-54	-988
GOI	397	735	981	2,113
Cost of risk	-41	-189	-8	-238
Operating income	356	546	973	1,875
Profit/loss on non-current assets	0	-3	244	241
Current profit/(loss)	356	543	1,217	2,116
Non-recurring income	-	0	6	6
Taxes	-135	-174	61	-248
Additions/reversals to regulated provisions	-1		-2	-3
Net income	**220**	**369**	**1,282**	**1,871**

Note 39 Average workforce

	Fiscal year 2023	Fiscal year 2022
Bank technical staff	1,666	1,731
Managers	2,250	2,220
TOTAL	**3,916**	**3,951**

Note 40 Total compensation paid to key executives

	Wages fixed portion	Wages variable portion	Benefits in kind	Miscellaneous reinstatements	Total 2022	Total 2021
Key executives	0	-	-	-	0	0

No compensation is paid to members of the Board of Directors.

No advances or credits were granted to any members of the Board of Directors during the fiscal year.

Note 41 Earnings per share

At December 31, 2023, the share capital of CIC stood at €611,858,064, divided into 38,241,129 shares with a nominal value of €16, including 231,711 treasury shares, which are not taken into account in the calculation of earnings per share.

As a result, for fiscal year 2023, earnings per share amounted to €49.23 compared with €33.37 for 2022.

Note 42 Assets deposited with the Caisse des Dépôts et Consignations and inactive accounts

	Number of accounts	Amount *(in €)*
Financial statements mentioned in II of Article L.312-19 of the French Monetary and Financial Code	34,870	88,200,848.43
Deposited financial statements referred to in Article L.312-20 of the French Monetary and Financial Code	961	1,950,665.98

In accordance with law No. 2014-617 of June 13, 2014 on dormant bank accounts and dormant life insurance contracts.

Note 43 Fees to statutory auditors

	12/31/2023					
Amount excluding taxes	PricewaterhouseCoopers		Ernst & Young		KPMG	
Audit of the accounts	0.56	100%	0.56	100%	0.56	100%
Non-audit services	-	-	-	-	-	-
TOTAL	**0.56**	**100%**	**0.56**	**100%**	**0.56**	**100%**

	12/31/2022					
Amount excluding taxes	PricewaterhouseCoopers		Ernst & Young		KPMG	
Audit of the accounts	0.48	100%	0.48	100%	0.48	100%
Non-audit services	-	-	-	-	-	-
TOTAL	**0.48**	**100%**	**0.48**	**100%**	**0.48**	**100%**

The above amounts correspond to the amounts recognized as expenses during the fiscal year.

In 2023, non-audit services correspond in particular to revenue and NBI certification for CIC branches and transfer pricing.

7.3 INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS

The table is in thousands of currency.

				Carrying amount of securities held						
Companies and addresses	Capital	Shareholders' equity less capital, excluding 2023 profit and loss	Share of capital held (in %)	Gross	Net	Advances granted by CIC	Deposits and guarantees given by CIC	Revenue excl. tax for the last fiscal year[1]	Net profit/ (loss) for the last period	Dividends received in 2023 by CIC
Detailed information on subsidiaries and equity investments held in French and foreign companies whose gross value exceeds 1% of CIC capital										
A / SUBSIDIARIES (more than 50% of capital held by CIC)										
A.1 CREDIT INSTITUTIONS										
French subsidiaries										
CIC Ouest – 2 avenue Jean-Claude Bonduelle, 44000 Nantes – Siren 855 801 072	86,999	605,569	100	386,810	386,810	0		464,462	37,028	100,375
CIC Nord Ouest – 33 avenue Le Corbusier, 59800 Lille – Siren 455 502 096	230,295	457,749	100	314,515	314,515	0		525,306	84,156	135,586
CIC Est – 31 rue Jean Wenger-Valentin, 67000 Strasbourg – Siren 754 800 712	225,000	495,368	100	231,132	231,132	0		685,048	132,673	215,887
Banque Transatlantique – 26 avenue Franklin D. Roosevelt, 75008 Paris – Siren 302 695 937	29,372	148,579	100	119,665	119,665	0		157,377	60,537	
CIC Sud Ouest – 20 quai des Chartrons, 33000 Bordeaux – Siren 456 204 809	258,498	264,758	100	371,416	371,416	0		346,790	25,057	25,850
CIC Lyonnaise de Banque – 8 rue de la République, 69001 Lyon – Siren 954 507 976	290,568	807,888	100	472,657	472,657	0		961,907	220,117	173,872
Crédit Mutuel Leasing – 17 bis Place des Reflets Tour D2, 92988 Paris la Défense Cedex – Siren 642 017 834	35,353	-7,461	100	453,732	453,732	0	0	3,336,690	4,452	
Crédit Mutuel Épargne Salariale – 12 rue Gaillon, 75002 Paris – Siren 692 020 878	13,524	9,675	99.94	31,958	23,186	0		40,860	6,048	3,604
Crédit Mutuel Real Estate Lease – 4 rue Gaillon, 75002 Paris – Siren 332 778 224	64,399	44,384	54.08[2]	22,310	22,310			947,456	623	1,448
Foreign subsidiaries										
Banque de Luxembourg – 14 boulevard Royal L-2449 Luxembourg	104,784	1,083,189	100	902,299	902,299	0	122,802	376,933	90,587	64,905
Banque CIC (Suisse) – 11-13 Marktplatz CH4001 Basel, Switzerland	CHF 125,000	CHF 373,012	100	CHF 338,951	CHF 338,951	0	CHF 268,936	CHF 223,045	CHF 40,743	0
CIC Market Solution INC – 520 Madison Avenue 37th Floor, New York 10022 United States	-	USD 1 145	100	USD 8,251	USD 1,231			USD 1,891	USD 94	0

Companies and addresses	Capital	Shareholders' equity less capital, excluding 2023 profit and loss	Share of capital held (in %)	Carrying amount of securities held		Advances granted by CIC	Deposits and guarantees given by CIC	Revenue excl. tax for the last fiscal year[1]	Net profit/(loss) for the last period	Dividends received in 2023 by CIC
				Gross	Net					
A.2 OTHER										
Crédit Mutuel Equity – 28 avenue de l'Opéra, 75002 Paris – Siren 562 118 299	1,655,178	131,776	100	1,912,745	1,912,745			18,955	32,853	74,875
CIC Participations – 4 rue Gaillon, 75002 Paris – Siren 349 744 193	8,375	30,257	100	40,268	30,257	0	0	0	-26	0
CIC Associés – 4 rue Gaillon, 75002 Paris – Siren 331 719 708	15,576	17,517	100	19,788	17,517	0	0	546	525	0
Caroline 13 – 4 rue Gaillon, 75002 Paris – Siren 493 154 405	8,952	-8,490	100	8,952	448	0	0	0	8	0
Caroline 24 – 4 rue Gaillon, 75002 Paris – Siren 501 427 223	7,712	-7,501	100	7,712	0			7	-2	0
Caroline 35 – 4 rue Gaillon, 75002 Paris – Siren 501 428 189	7,897	-7,631	100	7,897	12			6,004	-259	0
Caroline 75 – 4 rue Gaillon, 75002 Paris – Siren 824 197 370	11,433	-7,749	100	11,433	3,705			13,303	-184	0
Caroline 78 – 4 rue Gaillon, 75002 Paris – Siren 824 160 956	10,870	-484	100	10,870	5,408			13,890	-4,951	0
B/ EQUITY INVESTMENTS (10 to 50% of the capital held by CIC)										
French investments										
Groupe des ACM SA – 4 rue Raiffeisen 67000 Strasbourg – Siren 352 475 529	1,241,035	1,163,382	16	621,812	621,812	0	0	0	1,425,428	178,913
Foreign equity investments	0	0	0	0	0	0		0	0	0
C/ Global information concerning other subsidiaries and equity investments (more than 10% of the share capital held by CIC and for which the gross value does not exceed 1% of CIC's share capital)										
SUBSIDIARIES										
French subsidiaries				90,784	20,513					6,682
foreign subsidiaries				0	0					0
EQUITY INVESTMENTS										
in French companies				4,385	4,385					0
in foreign companies				0	0					0

The table is in thousands of currency.

(1) For banks, this is net revenue.

(2) 27.88% directly by CIC, 26.20% indirectly by CIC.

7.4 ACTIVITIES AND FINANCIAL RESULTS OF SUBSIDIARIES AND EQUITY INVESTMENTS

7.4.1 Regional banks

BANQUE CIC NORD OUEST

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce in FTE at 12/31	2,379	2,344
Balance sheet total	34,642	32,836
Shareholders' equity attributable to the group including FGBR	772	823
Customer deposits	24,814	23,586
Customer loans	29,551	28,960
NET INCOME	**84**	**170**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

BANQUE CIC EST

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce in FTE at 12/31	2,962	2,964
Balance sheet total	35,850	33,351
Shareholders' equity attributable to the group including FGBR	853	937
Customer deposits	27,361	25,841
Customer loans	30,856	29,365
NET INCOME	**133**	**216**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

CIC LYONNAISE DE BANQUE

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce in FTE at 12/31	3,320	3,298
Balance sheet total	49,966	48,074
Shareholders' equity attributable to the group including FGBR	1,319	1,272
Customer deposits	37,804	35,642
Customer loans	42,067	40,759
NET INCOME	**220**	**293**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

BANQUE CIC SUD OUEST

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce in FTE at 12/31	1,692	1,703
Balance sheet total	25,175	23,866
Shareholders' equity attributable to the group including FGBR	548	549
Customer deposits	15,657	15,259
Customer loans	21,775	20,999
NET INCOME	**25**	**86**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

BANQUE CIC OUEST

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce in FTE at 12/31	2,319	2,314
Balance sheet total	31,634	30,944
Shareholders' equity attributable to the group including FGBR	730	793
Customer deposits	22,844	22,584
Customer loans	27,095	26,516
NET INCOME	**37**	**143**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

7.4.2 Business line subsidiaries – retail banking

CRÉDIT MUTUEL LEASING

(capital in millions of euros)	2023 Consolidated[1] CNC	2022 Consolidated[1] CNC
Workforce on the payroll at 12/31	345	318
Balance sheet total[2]	11,715	11,309
Shareholders' equity[2]	949	990
Assets under management (excluding bank current accounts)[2]	11,188	10,578
NET INCOME[2]	**-41.8**	**8.4**

(1) *Crédit Mutuel Leasing, Crédit Mutuel Leasing Benelux and Crédit Mutuel Leasing GmbH.*
(2) *Financial data.*

CRÉDIT MUTUEL REAL ESTATE LEASE

(capital in millions of euros)	2023 Social CNC[1]	2022 Social CNC[1]
Workforce on the payroll at 12/31	77	71
Balance sheet total	6,065	5,756
Shareholders' equity	110	116
Assets under management (excluding bank current accounts)	5,613	5,299
NET INCOME	**-0.4**	**9.7**

(1) *Financial data.*

CRÉDIT MUTUEL FACTORING

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	437	412
Balance sheet total	9,853	8,924
Shareholders' equity	159	157
Volume of receivables purchased	53,055	49,876
Assets under management (excluding bank current accounts)[1]	7,522	7,587
NET INCOME	**36.5**	**20.4**

(1) *Including Dailly commercial loans.*

7.4.3 Specialized subsidiaries – Asset management and private banking

CRÉDIT MUTUEL ÉPARGNE SALARIALE

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	159	155
Balance sheet total	97	82
Shareholders' equity	23	23
Assets under management (excluding bank current accounts)	11,200	10,492
NET INCOME	**6.0**	**3.6**

BANQUE TRANSATLANTIQUE

(capital in millions of euros)	2023 CNC consolidated	2022 CNC consolidated
Workforce in FTE at 12/31	474	444
Balance sheet total	6,971	6,840
Shareholders' equity attributable to the group including FGBR	285	228
Managed savings, held in custody	62,525	52,196
Customer deposits	6,086	6,106
Customer loans	5,330	5,053
NET INCOME	**58.3**	**60.7**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

CIC SUISSE

KEY FIGURES PREPARED IN ACCORDANCE WITH LOCAL ACCOUNTING BASIS

(capital in millions of Swiss francs)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	461	445
Balance sheet total	12,659	12,976
Shareholders' equity	621	574
Conservation	7,653	7,471
NET INCOME	**41.0**	**29.2**

BANQUE DE LUXEMBOURG

KEY FIGURES PREPARED IN ACCORDANCE WITH LOCAL ACCOUNTING BASIS

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	1,020	965
Balance sheet total	14,045	14,647
Shareholders' equity including FGBR[1]	1,168	1,112
Conservation and deposits	78,508	79,488
NET INCOME	**75.7**	**89.6**

(1) Shareholders' equity includes non-taxable provisions.

BANQUE DE LUXEMBOURG INVESTMENTS SA

KEY FIGURES PREPARED IN ACCORDANCE WITH LOCAL ACCOUNTING BASIS

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	65	65
Balance sheet total	98	78
Shareholders' equity including FGBR[1]	72	46
Conservation and deposits	-	-
NET INCOME	**64.7**	**75.6**

(1) Shareholders' equity includes non-taxable provisions.

7.4.4 Specialized subsidiaries – Private equity

CRÉDIT MUTUEL EQUITY

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	46	44
Balance sheet total	2,068	2,109
Shareholders' equity	1,820	1,862
Valuation of the portfolio	1,971	1,966
NET INCOME	**32.9**	**186.6**

CRÉDIT MUTUEL CAPITAL

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	14	14
Balance sheet total	1,077	1,113
Shareholders' equity	674	664
Valuation of the portfolio	840	1,076
NET INCOME	**10.4**	**2.6**

CRÉDIT MUTUEL EQUITY SCR

(capital in millions of euros)	2023 Consolidated [1] CNC	2022 Consolidated [1] CNC
Workforce on the payroll at 12/31	65	47
Balance sheet total	3,526	3,024
Shareholders' equity	3,293	2,794
Valuation of the portfolio	3,609	2,449
NET INCOME	**49.7**	**331.6**

(1) Crédit Mutuel Equity SCR + Crédit Mutuel Innovation.

CIC CONSEIL

(capital in millions of euros)	2023 Social CNC	2022 Social CNC
Workforce on the payroll at 12/31	36	32
Balance sheet total	24	21
Shareholders' equity	16	15
Valuation of the portfolio	-	-
NET INCOME	**1.5**	**2.7**

7.5 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Fiscal 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 CIC 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 believe 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 the 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*) 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 annual financial statements of CIC.

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, 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 OF IMPAIRMENTS AND PROVISIONS FOR PROVEN CREDIT RISKS ON OUTSTANDING CUSTOMER LOANS

Identified risk	Our response
Your company establishes impairments to cover proven risks of losses resulting from the inability of its customers to meet their financial commitments. Impairment of loans and receivables is recorded to cover these risks on an individual basis. Provisions are made for funding and guarantee commitments. Write-downs and provisions are recognized as soon as there is an objective indication of impairment. These write-downs and provisions correspond to the difference between the carrying amount of the loans and the sum of the discounted estimated future cash flows. As of December 31, 2023, non-performing customer loans amounted to €1,432 million and the associated impairments and provisions amounted to €681 million and €34 million respectively, as presented in notes 4 and 17 to the annual financial statements. The principles followed in terms of credit risk provisioning are described in note 1 "Accounting principles, methods of assessment and presentation" to the annual financial statements. The valuation of write-downs and provisions requires the exercise of judgment to identify exposures presenting a risk of non-recovery, or to determine future recoverable flows and collection periods. Given the importance of judgment in the assessment of credit risk and the determination of impairments on customer loans, in particular in a context of persistent uncertainties marked by tensions on commodities and energy, inflation and a rise in interest rates, we considered that the identification of receivables presenting a risk of non-recovery and the measurement of related impairments was a key point of the audit due to: ■ the relative importance of outstanding loans in the balance sheet; ■ the complexity of estimating future recoverable cash flows.	We examined and tested the processes and controls relating to the loans and receivables that present a proven risk of default, as well as the procedures for quantifying the corresponding write-downs. We examined: ■ by calling on our IT specialists, the systems that guarantee the integrity of the data used by the rating and impairment models; ■ on a sample of receivables, the classification of outstandings between performing and non-performing loans. With regard to corporate credit risk, we have: ■ examined the credit risk monitoring process, by reviewing the reports of governance decisions on impairments; ■ examined, on a sample basis, impaired loan files to check the documentation of the credit rating and the level of impairment used; ■ streamlined the annual change in the cost of risk; ■ where applicable, assessed the appropriateness of manual adjustments to internal credit ratings. With regard to credit risk in retail banking, we performed analytical procedures by calculating the change over time of the following key indicators: ratio of non-performing loans to total loans and coverage of non-performing loans by impairment. Each time that an indicator differed from the average, we analyzed the differences observed. Lastly, we verified the appropriateness of the information presented in the notes to the annual financial statements.

RISK RELATED TO THE VALUATION OF COMPLEX FINANCIAL INSTRUMENTS

Identified risk	Our response
As part of its proprietary Capital Markets trading activities and in connection with the services offered to customers, your company holds complex financial instruments. As indicated in note 1 "Accounting principles, methods of assessment and presentation" to the annual financial statements, derivatives and trading securities are recognized at their market value, the counterpart of this revaluation is entered in the income statement: ■ trading securities are valued at the market price on the most recent day. The overall balance of differences resulting from changes in price is recognized in the income statement as income or expenses; ■ derivatives are recognized at their market value. Where the valuation of certain instruments is based on complex models, the market parameters used as a basis for their valuation take into account in particular the level of liquidity of the markets concerned and their relevance over long maturities. We considered that the valuation of complex financial instruments was a key point of the audit and entailed a significant risk of material misstatement in the annual financial statements as it requires the exercise of judgment, in particular concerning: ■ the determination of unobservable market valuation parameters for an instrument; ■ the use of internal and non-standard valuation models; ■ the estimation of the main valuation adjustments, to take account of risks such as counterparty or liquidity risks.	We assessed the processes and controls put in place by your company to identify and value complex financial instruments, including: ■ governance of valuation models; ■ independent explanation and validation of the results recorded on these transactions; ■ controls relating to the processes for collecting the parameters necessary for the valuation of complex financial instruments. Our audit team included specialists in risk modeling and quantitative techniques. With their assistance, we also: ■ performed counter-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 by your company to control the adjustments made; ■ lastly, we examined the main differences in existing margin calls in order to assess the consistency of the valuations.

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 sent to shareholders on the financial position and the annual financial statements, other than the point mentioned below.

The fair presentation and 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.

Information on corporate governance

We certify the existence, in the Board of Directors' management report on corporate governance, of the information required by Articles L.225-37-4 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 as statutory auditors of Crédit Industriel et Commercial – CIC by your Shareholders' Meetings of May 25, 2016 for the firm KPMG S.A., of May 25, 1988 for the firm PricewaterhouseCoopers Audit and of May 26, 1999 for the firm ERNST & YOUNG et Autres.

As of December 31, 2023, KPMG S.A. was in the eighth year of its uninterrupted mission, PricewaterhouseCoopers Audit was in the thirty-sixth year and ERNST & YOUNG et Autres in the twenty-fifth 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 in certifying 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

ERNST & YOUNG et Autres	KPMG S.A		PricewaterhouseCoopers Audit
Vanessa Jolivalt	Sophie Sotil-Forgues	Arnaud Bourdeille	Laurent Tavernier
Partner	*Partner*	*Partner*	*Partner*

7.6 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2023

To the company's 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

Agreements authorized and concluded during the past fiscal year

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

Agreements approved during previous fiscal years

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous fiscal years, continued during the past year.

With Cigogne Fund for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear Bank SA/NV

Person concerned

Éric Charpentier, Deputy Chief Executive Officer of CIC since July 28, 2021, Chief Executive Officer since January 1, 2024 and Chairman of the Board of Directors of Banque de Luxembourg since August 25, 2021.

Nature and purpose

Guarantee issued by your company in respect of the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear Bank SA/NV.

Terms and conditions

Cigogne Fund is a Luxembourg-based fund. Banque de Luxembourg, in its capacity as custodian of Cigogne Fund, opened an account with Euroclear Bank SA/NV.

At its meeting on December 14, 2006, the Supervisory Board authorized the signing of an agreement with Euroclear Bank SA/NV with a view to:

- opening a credit line for $1 billion in favor of Cigogne Fund;
- granting a guarantee to Euroclear Bank SA/NV for the same amount, for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with this sub-custodian.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 9, 2024

The statutory auditors

ERNST & YOUNG et Autres	KPMG S.A		PricewaterhouseCoopers Audit
Vanessa Jolivalt	Sophie Sotil-Forgues	Arnaud Bourdeille	Laurent Tavernier
Partner	*Partner*	*Partner*	*Partner*

To simplify the management and accounting of associations, CIC provides day-to-day support to the players in the non-profit sector.

CAPITAL AND LEGAL INFORMATION

8.1 SHARE CAPITAL

At December 31, 2023, the share capital stands at €611,858,064. It is divided into 38,241,129 shares each with a nominal value of €16, all of the same class and fully paid up.

There was no change in share capital for the period covered by the historical financial information.

CIC has no unissued authorized capital or exchangeable or redeemable convertible bonds granting access to capital.

CIC shares are not listed or traded on any market.

8.2 SHAREHOLDING

8.2.1 Breakdown of share capital and voting rights

The table below shows change in CIC's ownership structure over the last three years:

BREAKDOWN OF THE SHARE CAPITAL AT THE END OF THE LAST THREE FISCAL YEARS, IN SHARES AND VOTING RIGHTS

	Situation at 12/31/2021				Situation at 12/31/2022				Situation at 12/31/2023			
	Number of shares	%	Voting rights	%	Number of shares	%	Voting rights	%	Number of shares	%	Voting rights	%
Banque Fédérative du Crédit Mutuel	35,631,507	93.18	35,631,507	93.74	35,631,507	93.18	35,631,507	93.74	35,631,507	93.18	35,631,507	93.74
Mutuelles Investissement	2,377,911	6.22	2,377,911	6.26	2,377,911	6.22	2,377,911	6.26	2,377,911	6.22	2,377,911	6.26
Treasury shares (treasury shares and liquidity agreement)	231,711	0.61	-	0.00	231,711	0.61	-	0.00	231,711	0.61	-	-
TOTAL	**38,241,129**	**100**	**38,009,418**	**100**	**38,241,129**	**100**	**38,009,418**	**100**	**38,241,129**	**100**	**38,009,418**	**100**

The 231,711 shares held by CIC at December 31, 2023 are non-voting shares but do not create any significant changes between the allocation of capital and those of voting rights among shareholders such as presented in the table below.

8.2.2 Specific information on control

The control of the Company is described in paragraph 8.2.1.

Regarding methods for preventing any abusive control, it should be noted that all transactions between CIC and BFCM are concluded under normal market conditions. The Chairman of the Board of Directors of CIC is also Chairman of the Board of Directors of BFCM, and the Chief Executive Officer of CIC is also the Chief Executive Officer of BFCM. The company believes that there is no risk of control being abused.

8.2.3 Change of control

CIC's articles of association include no stipulation that would delay, defer or prevent a change of control, nor that would impose conditions more stringent than those required by law on changes in share capital.

To CIC's knowledge, no agreement exists that might result in a change in its control at a later date.

8.3 DIVIDEND DISTRIBUTION POLICY

In terms of its dividend distribution policy, CIC favors a long-term shareholding structure composed exclusively of Crédit Mutuel Alliance Fédérale entities.

As such, CIC pays its shareholders a reasonable dividend, while strengthening equity by transferring a substantial portion of its profits to reserves needed for its growth and to cover its risks in compliance with regulatory ratios.

In respect of the last five fiscal years, CIC distributed the following dividends:

	2019	2020	2021	2022	2023*
Net dividend on shares *(in €)*	27.6	12.98	27.5	0	25.9

** Dividend distribution proposed by the Board of Directors to the Shareholders' Meeting of May 14, 2024.*

8

8.4 NON-VOTING LOAN STOCK

8.4.1 Presentation of non-voting loan stock and interest due

The non-voting loan stock issued in 1985 by the Compagnie Financière de Crédit Industriel et Commercial, which has since become Crédit Industriel et Commercial, entitles holders to annual interest made up of fixed and variable components.

This interest, payable on May 28 of each year, cannot be less than 85% or more than 130% of the average (TAM + TMO)/2:

- the fixed-rate bond index (TMO) is the arithmetic mean of the monthly average yields on the settlement dates for subscriptions of State-guaranteed bonds and equivalents. It is established by France's national Institute of statistics and economic studies (INSEE) for the period from April 1 to March 31 prior to each maturity date;
- the annual monetary reference rate (TAM)[1] is the compound yield that would be earned on a monthly investment reinvested at the end of each month at the average monthly money market rate during the 12 months up to but not including March.

The participation ratio used to calculate the variable component of the coupon due in May 2024 – 2024 PR – is equal to:

$$\frac{\text{2023 PR} \times \text{2023 income as defined in the issue contract}}{\text{2022 income as defined in the issue contract}}$$

The contract stipulates that consolidated earnings are adjusted for changes in equity, CIC's scope of consolidation and consolidation methods.

CIC's adjusted net profit for 2023, as determined by applying identical accounting procedures and consolidation methods at constant scope, amounted to €1,748,524 thousand compared to €2,266,129 thousand for 2022.

The 2024 PR is therefore equal to:

$$\frac{\text{2023 PR x €1,748,524 thousand}}{\text{€2,266,129 thousand}}$$

i.e. 30.078 x 0.7716 = 23.208

Compensation

The interest calculated based on the income shown above, including both the fixed and variable components, came to 37.617%, which is higher than the floor provided for in the issue contract.

Accordingly, under the terms of the issue contract, the interest paid to holders of non-voting loan stock in May 2024 will be 130% of (TAM [1]+TMO)/2.

The rate is 4.465% on the basis of a TAM[1] of 3.6242% and an average TMO of 3.2450%. This means that the gross coupon due in May 2024 will amount to €6.81 per share with a nominal value of €152.45.

INTEREST PAID SINCE 2020 (YEAR OF PAYMENT)

	PR	TAM[1] %	TMO %	Rate used %	Gross coupon paid
2020	19.191	-0.4183	0.2192	-0.129	€0
2021	8.699	-0.4738	0.0702	-0.261	€0
2022	27.651	-0.5712	0.4142	-0.102	€0
2023	30.078	0.7042	2.4933	2.078	€3.17
2024	**23.208**	**3.6242**	**3.2450**	**4.465**	**€6.81**

NON-VOTING LOAN STOCK PRICE MOVEMENTS SINCE 2019

	+ High *(€)*	+ Low *(€)*	Last price *(€)*
2019	104.53	90.80	104.53
2020	109.60	98.85	101.52
2021	138.50	101.00	137.20
2022	135.38	122.00	122.28
2023	**124.98**	**110.00**	**114.01**

Since October 18, 1999, CIC's non-voting loan stock with a nominal value of FRF 1,000 was converted into securities with a nominal value of €152.45.

(1) 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).

8.4.2 Statutory auditors' report on the interest due on non-voting loan stock

Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2023

To the holders of non-voting loan stock of the Crédit Industriel et Commercial – CIC,

In our capacity as statutory auditor of Crédit Industriel et Commercial – CIC and pursuant to the mission provided for in Article L.228-37 of the French Commercial Code, we hereby present to you our report on the elements used to determine the interest due on non-voting loan stock.

On April 8, 2024, we prepared our reports on the annual financial statements and the consolidated financial statements for the fiscal year ended December 31, 2023.

The data used to calculate the interest due on non-voting loan stock was determined by the managers. It is our responsibility to comment on its compliance with the issue agreement and its consistency with the annual financial statements.

Since January 2023, the annual monetary reference rate (TAM) initially used to calculate the interest due on non-voting loan stock, under the terms of the issuance contract of May 1985, is no longer published by the Banque de France. As of December 31, 2023, an equivalent substitution rate was used. This is the 12-month average of the daily €STER monetary rate published by the Banque de France. However, prior to the next annual closing and in accordance with the terms of the issuance contract, CIC will have to obtain the agreement of the Extraordinary Shareholders' Meeting of the holders of non-voting loan stock on a substitution rate that will ensure an equivalent compensation.

The annual interest is determined as follows and includes:

- a portion equal to 40% of the annual monetary reference rate (TAM €STR) based on the rates observed during the year preceding each maturity; and
- a portion equal to 43% of the annual monetary reference rate (TAM €STR) multiplied by a participation ratio (PR) which, for interest due on May 28, 2024, is as follows:

$$\text{2024 PR} = \text{2023 PR} \times \frac{\text{Consolidated earnings for the period 2023}}{\text{Consolidated earnings for the period 2022}}$$

The issue agreement provides for two limitations on this interest payment:

- a floor rate equal to 85% x (TAM €STR + fixed-rate bond index or "TMO")/2;
- a cap rate equal to 130% x (TAM €STR + TMO)/2.

The agreement further stipulates that adjustments are made to the 2023 participation ratio (PR) to take into account changes in equity, group scope or consolidation methods between the last two fiscal years.

Crédit Industriel et Commercial - CIC has been preparing financial statements in accordance with IFRS since fiscal year 2005. In accordance with the resolution submitted to you, the calculation of interest is based on the net results for the fiscal years 2022 and 2023, attributable to the group, obtained from comparable accounting procedures, structure and method of consolidation. These data lead to the determination of a participation ratio (PR) of 23.208 for 2024 *versus* 30.078 for 2023.

The rate of return resulting from the application of the formula described above stands at 37.617% before taking into account the floor and cap rates, while the floor and cap rates are respectively 2.919% and 4.465%.

Thus, according to the clauses provided for in the issue agreement, the gross interest paid in 2024 relating to fiscal year 2023 will be €6.807 per share.

We performed the due diligence we considered necessary in light of the professional standards of the French national company of statutory auditors for this mission. These procedures consisted of verifying the compliance and consistency of the elements used to determine the interest due on non-voting loan stock with the issue agreement and the annual and consolidated financial statements that were audited.

We have no matters to report concerning the conformity and consistency of the data used to calculate the interest due on non-voting loan stock.

Paris La Défense and Neuilly-sur-Seine, April 10, 2024

The statutory auditors

ERNST & YOUNG et Autres	KPMG S.A.		PricewaterhouseCoopers Audit
Vanessa Jolivalt Partner	Sophie Sotil-Forgues Partner	Arnaud Bourdeille Partner	Laurent Tavernier Partner

8.5 SHAREHOLDERS' MEETING

The procedures for holding CIC's Shareholders' Meeting are set out in Articles 18 and 19 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.

CIC's last Shareholders' Meetings were held on May 10, 2023 and December 8, 2023.

8.6 MISCELLANEOUS INFORMATION

8.6.1 Company and trade name

Crédit Industriel et Commercial

Acronym: **CIC** .

8.6.2 Place of incorporation, LEI and registration number

Paris B 542 016 381

APE/NAF business identifier code: 6419Z

LEI number: N4JDFKKH2FTD8RKFXO39

8.6.3 Date of incorporation and term

The company was created on May 7, 1859. Its term will expire on December 31, 2067, unless it is dissolved or its term is extended before that date.

8.6.4 Company purpose and *raison d'être*

Article 5 of the articles of association.

Raison d'être, Benefit corporation.

8.6.5 Legislation governing activities and legal form

CIC, *société anonyme* (French Limited Company), is governed by the provisions of the French Commercial Code on public limited companies and the laws applicable to French credit institutions codified for the most part in the French Monetary and Financial Code. CIC is a member of the French Banking Federation (FBF).

8.6.6 Significant changes

There was no other significant change in CIC's financial performance between December 31, 2023 and the filing date of this universal registration document.

8.6.7 Major contracts

To date, there are no major contracts signed by CIC over the last two years other than contracts entered into in the normal course of its business.

8.6.8 Position of dependence

To date, CIC is not in a position of dependence.

8.6.9 Other legal information

Corporate fiscal year: From January 1 to December 31 each year.

Address of CIC's registered office: 6 avenue de Provence - Paris 9th, France.

Telephone number: +33 (0)1 45 96 96 96

Website: https://www.cic.fr

The articles of association, the minutes of the Shareholders' Meetings and the reports may be accessed at the registered office: 6, avenue de Provence in Paris 9th (Crédit Mutuel Alliance Fédérale General Secretariat).

To protect households against burglary, fire and squatting, CIC offers connected alarm and remote surveillance systems.

ADDITIONAL INFORMATION

9.1 2024 FINANCIAL COMMUNICATION CALENDAR

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.

9.2 DOCUMENTS AVAILABLE TO THE PUBLIC

This universal registration document is available on CIC's website (www.cic.fr) and on the AMF website (www.amf-france.org).

The same holds true for all reports and historical financial information. The information provided on the website does not form part of the universal registration document.

Any person wishing to obtain additional information on CIC can ask for the documents, with no obligation to commit:

- by postal mail: CIC – Relations extérieures 6, avenue de Provence – 75009 Paris, France;
- by email: compresse@cic.fr

The charter, the articles of association, the minutes of the shareholders' meetings and the reports may be accessed at the registered office: 6, avenue de Provence in Paris 9e (General Secretariat).

9.3 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 CIC 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

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 9 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.

Paris, April 11, 2024

Eric Charpentier,

Chief Executive Officer

9.4 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

The statutory auditors, PricewaterhouseCoopers Audit France, Ernst & Young et Autres and KPMG SA, belong to the Regional Institute of statutory auditors of Versailles (*Compagnie régionale des commissaires aux comptes de Versailles*).

Principal statutory auditors

Name: PricewaterhouseCoopers France
Address: 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France
Represented by Laurent Tavernier
First appointed: May 25, 1988
Current term of office: six years from May 4, 2018
Expiration of term of office: at the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023.

Name: Ernst & Young et Autres
Address: 1/2 place des Saisons, 92400 Courbevoie - Paris La Défense Cedex, France
Represented by Vanessa Jolivalt
First appointed: May 26, 1999
Current term of office: six years from May 10, 2023
Expiration of term of office: at the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2028.

Name: KPMG SA
Address: Tour Eqho - 2, avenue Gambetta, 92066 Paris La Défense Cedex, France
Represented by Sophie Sotil-Forgues
First appointed: May 25, 2016
Current term of office: six years from May 10, 2022
Expiration of term of office: at the close of the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2027.

9.5 CROSS-REFERENCE TABLE

9.5.1 Cross-reference table of the 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 AMF on April 11, 2024
1.	**Persons responsible**	**612**
2.	**Statutory auditors**	**613**
3.	**Risk factors**	**206 - 213**
4.	**Information about the issuer**	**608**
5.	**Business overview**	
5.1	Main activities	2, 6-7, 13 - 26
5.2	Main markets	2, 6-7, 508 - 508
5.3	Significant events in business development	47
5.4	Strategy and objectives	9
5.5	Degree of dependence with respect to patents or licenses, industrial, commercial or financial agreements or new manufacturing processes	608
5.6	Elements on which the declarations of the issuer concerning its competitive position are based	13 - 26 , 39 - 44
5.7	Investments	N/A
6.	**Organizational structure**	
6.1	Description of the group	12
6.2	Main subsidiaries	12 , 555 - 599
7.	**Review of the financial position and of net profit or loss**	
7.1	Financial position	29 - 49
7.2	Operating income	29 - 49
8.	**Cash and equity**	
8.1	Information on the issuer's equity	478
8.2	Source and amount of the issuer's cash flows	479
8.3	Information on the borrowing conditions and the issuer's financing structure	N/A
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**	**30 - 34**
10.	**Information on trends**	**47**
11.	**Profit forecasts or estimates**	**N/A**
12.	**Administrative, management, supervisory and executive bodies**	
12.1	Information concerning the members of CIC's administrative and management bodies	174 - 174
12.2	Conflicts of interest concerning the administrative, management, supervisory and executive bodies	188
13.	**Compensation and benefits**	**192 , 194**
14.	**Operation of the administrative and management bodies**	
14.1	Expiration date of current terms of office	176 - 185
14.2	Service agreements binding the members of the administrative bodies to the issuer or to one of its subsidiaries	188
14.3	Information on the Auditing Committee and the Compensation Committee	191
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	175
14.5	Potentially significant impacts on corporate governance	173 - 195
15.	**Employees**	
15.1	Number of employees	540
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

Sections of Appendix 1 of Delegated Regulation (EU) 2019/980: "Registration document for equity securities"		page no. of the universal registration document filed with AMF on April 11, 2024
16.	**Major shareholders**	
16.1	Shareholders holding more than 5% of the share capital or voting rights	602 - 603
16.2	Existence of different voting rights of the aforementioned shareholders	607
16.3	Control of the issuer	603
16.4	Knowledge by the issuer of an agreement likely to result in a change in control at a later date	N/A
17.	**Related-party transactions**	**N/A**
18.	**Financial information on the issuer's assets and liabilities, financial position and results**	
18.1	Historical financial information	473 - 553 , 614 , 555 - 599
18.2	Interim and other financial information	N/A
18.3	Verification of the annual historical financial information	555 - 599
18.4	*Pro forma* financial information	474 - 547
18.5	Dividend distribution policy	603
18.6	Legal and arbitration proceedings	608
18.7	Material change in the financial position	608
19.	**Additional information**	
19.1	Share capital	602
19.2	Charter and articles of association	608
20.	**Major contracts**	**608**
21.	**Documents available to the public**	**608 , 611**

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 annual and consolidated financial statements and the group management report for the year ended December 31, 2022, and the statutory auditors' reports on the annual and consolidated financial statements for the year ended December 31, 2022, presented respectively on pages 29 to 51, 191 to 400, 53 to 168, 403 to 465, 473 to 512, 466 to 470 and 513 to 517 of universal registration document no. D. 23-0274 (https://www.cic.fr/partage/fr/CC/CIC-2015/telechargements/rapports-annuels/CIC_rapport-annuel_2022.pdf) filed with the Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 13, 2022;
- the annual and consolidated financial statements and the group management report for the year ended December 31, 2021, and the statutory auditors' reports on the annual and consolidated financial statements for the year ended December 31, 2021, presented respectively on pages 29 to 47, 177 to 348, 49 to 154, 351 to 414, 421 to 459, 415 to 419 and 460 to 463 of universal registration document no. D. 22-0285 (https://www.cic.fr/partage/fr/I14/telechargements/rapports-annuels/CIC_rapport-annuel_2021.pdf) filed with the Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 13, 2022;
- the annual and consolidated financial statements and the group management report for the year ended December 31, 2020, and the statutory auditors' reports on the annual and consolidated financial statements for the year ended December 31, 2020, presented respectively on pages 27 to 45, 133 to 309, 47 to 110, 311 to 372, 379 to 416, 373 to 377 and 417 to 420 of universal registration document no. D. 21-0335 (https://www.cic.fr/partage/fr/I14/telechargements/rapports-annuels/CIC_rapport-annuel_2020.pdf) filed with the Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 21, 2021;

The chapters of universal registration documents No. D. 23-0274, No. D. 22-0285 and No. D. 21-0335 not mentioned above are either not applicable for the investor or covered elsewhere in this universal registration document.

9.5.2 Cross-reference table for the 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 universal registration document**					**612**
2	**Management report**					
2.1	Position of the company and group during the past fiscal year	L.232-1 II, L.233-26				35-47; 48
2.2	Analysis of the changes in revenue, results and financial position of the company and group	L.225-100-1 I 1°				35-47; 48
2.3	Key financial and non-financial performance indicators of the company and group	L.225-100-1 I 2°				4-7; 70; 85-86; 91; 100
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				47
	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				47
	Research and development activities of the company and group	L.232-1 II, L.233-26				N/A
	Existing branches	L.232-1 II				23-23
	Information regarding establishments by state or territory		L.511-45, R.511-16-4			509
	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				474-547
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°				206-213
	Financial risks associated with the effects of climate change and implementation of a low-carbon strategy	L.225-100-1 I 4°				212
	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°				213-222
	Objectives and policy regarding hedging of each major category of transactions of the company and group	L.225-100-1 I 6°				346-349
	Exposure to price, credit, liquidity and cash risks of the company and group	L.225-100-1 I 6°				250-263; 350-363
	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				83-85; 85
	Consequences on climate change of the activity and use of the goods and services produced	L.225-102-1 III, R.225-105				103-118
	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				52-118
	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 employees' working conditions	L.225-102-1 III				99
	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				59-74

		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
2.7	Vigilance plan	L.225-102-4				119-129
3	**Opinion of the independent third party on the social and environmental information**	**L.225-102-1, R.225-105-2 II**				**134**
4	**Corporate governance report**	**L.225-37**				**173-195**
4.1	Principles for determining the compensation granted to corporate officers (Section 13 of Appendix 1 of Delegated Regulation No. 2019/980)					194
4.2	Compensation principles and rules for the identified population		L.511-73			192-193
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				178-185
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				191
4.6	Composition of the Board, and conditions of preparation and organization of the Board's tasks	L.22-10-10				187-189
4.7	Diversity policy	L.22-10-10				412
4.8	Any restrictions that the Board of Directors imposes on the CEO's powers	L.22-10-10				187; 189
4.9	Statement indicating whether the company refers to a Corporate Governance Code	L.22-10-10				175
4.10	Terms and conditions for shareholder participation in Shareholders' Meetings	L.22-10-10				187
5	**Information on the share capital**	**L.233-13**				**602**
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				602
5.2	Name of controlled companies and share in the capital of the company that they hold	L.233-13				587-588
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.441-6-1 and D. 441-6				49
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		603
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**					
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9.6 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.

Representative office [2] Office established by a bank in a foreign country where activity is limited to representation and information. This office may not carry out banking transactions.

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 [1] 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.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

(2) Source: http://fbf.fr/fr/secteur-bancaire-francais/lexique.

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.

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 [1] 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.

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 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.

New lending Amounts of new funds made available to customers – source: management data, sum of individual data for entities in the "Retail Banking – banking network" segment.

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.

NSFR (Net Stable Funding Ratio) One-year ratio that compares available stable funding and required stable funding. The one-year coverage ratio for resources must be 100%. Amounts to be funded are weighted by their liquidity and sources of funding by their stability. This quarterly ratio is part of the Basel III provisions.

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) 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.

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 [1] 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 TLTRO 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) [2] 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.

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(1) 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.

(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.

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